

The NATIONAL UNDERWRITER

Life Insurance Edition

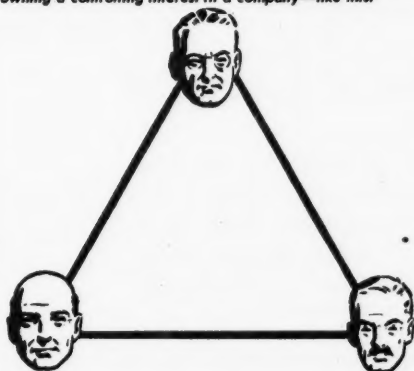
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Insurance Library

This is one of five advertisements on business insurance appearing in Nation's Business this year.

B-40

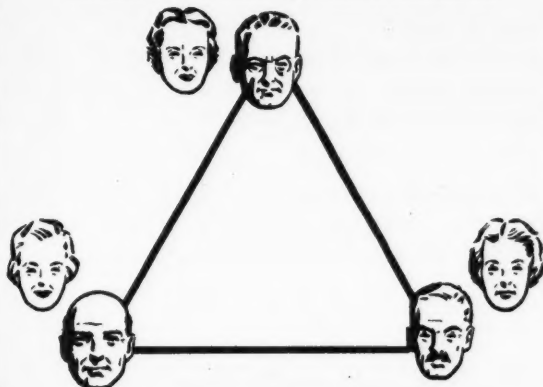
John and Jim and Joe are partners in business—or are sole owners of a close corporation—or are principal stockholders owning a controlling interest in a company—like this:



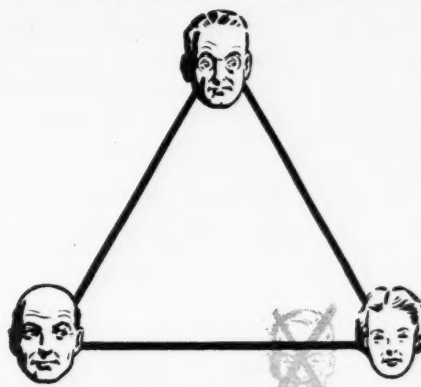
ANOTHER ETERNAL TRIANGLE

IN BUSINESS—
IT DOESN'T WORK
EITHER

But John and Jim and Joe are married, respectively to Sally and Sarah and Susan. So our triangle should be shown like this:



Now, "as it must to all men," death comes to—say—Joe, which changes the picture, for John and Jim considerably—because now they're in business with Susan, thus:



AND they'll stay in business with Susan until and unless they can buy from Susan the interest in the business she inherited from Joe—if she wants to sell—and if John and Jim can finance the deal.

History shows that the John-Jim-Susan triangle is not very satisfactory for anybody—that it's one of the kinds of eternal triangles that just don't work.



It's a difficult situation to get out of, but a relatively simple one to prevent—if an agreement is

made, financed with Northwestern Mutual life insurance, for the acquisition of each owner's interests by the survivors, in the event of his death. Thus, the continuity of ownership and management is assured, the owners' widows are assured an agreed-upon remuneration, and the transaction is completed without impairing the financial position of the owners or the enterprise.

A Northwestern Mutual agent will be glad to explain the many special ways developed by the Northwestern Mutual to protect a business or its principals against loss and complication due to death or retirement. Talk to one today. Ask him about the special advantages and exceptional low cost of Northwestern Mutual insurance for business men.

We are THE NORTHWESTERN MUTUAL
LIFE INSURANCE COMPANY
MILWAUKEE, WIS.

New insurance written on corporation and partnership forms shows a 44% increase over 1940.

FRIDAY, OCTOBER 3, 1941



R. J. CHAPMAN



F. W. BLAND



C. M. CARTWRIGHT, EDITOR



W. J. SMYTH



O. E. SCHWARTZ



W. M. CHRISTENSEN



J. T. CURTIN



A. S. CUTLER

These Men Are in a Contest

During the month of October the members of the sales organization of The National Underwriter, whose pictures are shown on this page, are engaged in a subscription getting contest. Their object is to considerably increase the number of regular readers of The National Underwriter which, for more than a decade has had the largest circulation of any weekly insurance newspaper.

At this particular time, when the future is so unpredictable, it is of the utmost importance for the insurance man to be well posted regarding current events and probable future trends. It is not an accident that the most successful men in the insurance business are invariably those who are the best informed.

Actually, every man who makes his livelihood from insurance should read the leading trade paper of the business. There are, of course, many who have never been asked to subscribe and that is a situation that we hope to remedy to a large extent during the current month.

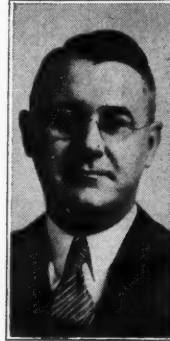
When and if any of our field men whose pictures are reproduced here call upon you, we bespeak for them a favorable reception. You will find them helpful, cooperative and well informed. They are good men to know.



W. A. SCANLON



G. C. ROEDING



R. E. RICHMAN

The National Underwriter

The leading weekly insurance newspaper.

John F. Wohlgemuth,
President



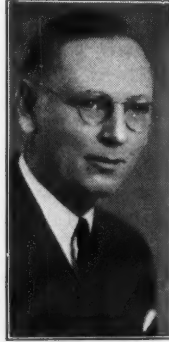
C. M. Cartwright,
Editor



A. J. EDWARDS



M. B. FLANDERS



E. H. FREDRIKSON



E. E. HESS



F. B. HUMPHREY



R. W. LANDSTROM



NORA V. PAUL

THE NATIONAL UNDERWRITER Life Insurance Edition. Published weekly by The National Underwriter Company. Office of publication, 175 W. Jackson Blvd., Chicago, Ill., U. S. A. Forty-fifth year. No. 40. Friday, October 3, 1941. \$3.00 per year (Canada \$4.00), 15 cents per copy. Entered as second class matter, June 9, 1900, at the post office at Chicago, Ill., under Act of March 3, 1879.

The NATIONAL UNDERWRITER

Forty-fifth Year—No. 40

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, OCTOBER 3, 1941

\$3.00 Year, 15 Cents a Copy

Inflation Likely to Be Short Lived, Linton Believes

**Speculator Must Be
Nimble; to Insure Is
Smart Maneuver**

BOSTON—In the face of probable developments in the near future, it is clear that within the limits of available income even to the extent of sacrificing other things, adequate life insurance protection is essential for the welfare of every family. This was the message of President M. A. Linton of Provident Mutual Life in an exhaustive address on the subject of inflation at the meeting here of the Life Advertisers Association.

In logical steps, Mr. Linton offered his conclusion that so far as inflation is concerned, the most that can be anticipated in this country is a substantial rise in commodity prices, comparable with what happened in the last war. And that was a doubling of the price level within five years.

One thing is certain and that is the higher the price level at the time the breadwinner is called away, the more money will be required to meet the needs of the family that remains behind.

Speculation Is Dangerous

Suppose, Mr. Linton said, the country is facing a 100 percent increase in prices within the next five years and suppose this increase should indicate a family need for \$10,000 additional protection. How would the \$10,000 be provided should death occur within that five year period? The systematic savings that would be required would take more than could be spared out of the average man's budget. Speculation would be a dangerous expedient. For each person who succeeded by that means, scores would lose and be worse off. The one way the \$10,000 can be made available is by the unique mechanism of life insurance. By paying from 1½ to 4 percent a year of the sum desired—corresponding to an age range from 20 to 50 at the time the policy is purchased—\$10,000 of ordinary life insurance may be provided.

Recalls 1915-20 Experience

Mr. Linton quoted Louis Orcutt of Provident Mutual Life at New York who puts the problem in this way: "Will we have inflation? Nobody knows. Experts disagree, definitions are not even alike. What we are seeking to do is to inflate the widow's budget so that, whatever the dollar is worth, she will have enough. What sort of world will we have when all the fighting is over? Again all the experts disagree; the possible limitations or amplitudes of life, after peace comes again range from the extreme position that the whole world will be flat broke to the other extreme position that, out of the peace will come some unbeatable formula for perennial prosperity."

(CONTINUED ON LAST PAGE)

Mortgage Bankers Hear Views of Insurance Men

**Superintendent Lloyd
of Ohio Urges Realism
as to Basic Value**

NEW YORK—An appeal to those who make mortgages to extend accommodations only on the old-fashioned values of peace-time production was made by Superintendent John A. Lloyd of Ohio in addressing the convention of the Mortgage Bankers Association of America here. By pursuing a policy of conservative financing, the mortgage men will be providing the anchor that will be needed "while the storms howl and the seas pile high." The course of American investment being made today must be on a basis which free men can pay off tomorrow, he declared.

Mr. Lloyd sketched the procedure that is followed by insurance departments in examining the mortgage portfolio of a life company. Each and every mortgage is carefully scrutinized, he observed. All of the original papers are examined so as to determine the worth of each mortgage and of the aggregate of all mortgages. The examiner begins with the original application and studies the note, mortgage or trust deed, the hazard insurance policies, appraisal certificates and evidence of title. Then there is examined the institutional records as to payment and the current condition of the mortgage.

Appraisal Highly Important

Especial attention is given to the appraisal. Despite sincere efforts in the direction of reform, the real estate appraisal remains entirely too much just another fellow's opinion, he declared.

Some insurance companies use their own salaried appraisers; some use independent appraisers located in the community where the security is situated; others use independent appraisers from the outside and some take the appraisals of their loan correspondents. Mr. Lloyd said that he prefers the well qualified independent appraiser who operates in the community where the security is located.

It is important that the appraisal be complete. It should analyze the physical property in relation to its age, depreciation, obsolescence factors, trend of the district, actual income and expense data, etc.

A system of test checking is employed whereunder reappraisals are ordered in every 10th or 20th mortgage.

Mr. Lloyd said that the mortgage loan correspondent in order to protect himself and his reputation, should be most careful in selection or recommendation of appraisers.

Apprehending Trends

Mr. Lloyd said that mature judgment is necessary these days in order to attempt to apprehend the effect of trends in real estate values. For instance, it is important to weigh the trend toward suburban home ownership and the establishment of new suburban retail sections; the new trend toward longer term loans with small amortization; the new

**Van Schaick Asks Coop-
eration of Supervisory Of-
ficials and Lenders**

NEW YORK—Advantages of closer cooperation between supervisory officials and lending institutions, particularly those in the mortgage field, were stressed by George S. Van Schaick, vice-president New York Life and former insurance superintendent of New York, in his talk at the national convention of the Mortgage Bankers Association here. The suggestions and comments of some supervisory officials as to mortgages and real estate held by companies under their jurisdiction have unquestionably been helpful to management, he said. Thus far they have been largely advisory and have not constituted any undue or improper interference with functions which belong to management alone.

Sees Manifold Problems Ahead

Mr. Van Schaick said that while there are those who resist or deplore strong governmental supervision of mortgage lending institutions, because of fear that strong supervision tends toward governmental operation and control, if any such eventuality should come, its source may not be in strong supervision but in a failure of management to do those things which are needed in the public interest. Financial institutions must at all times and at all events be kept safe for their customers and clients, he said, warning that if this objective is not attained in one way the irresistible demand will be to attain it in another.

Mentioning the joint responsibility of financial institutions and the real estate men who are their mortgage loan

(CONTINUED ON LAST PAGE)

concept of spaciousness, the need and demand for more light, air and playgrounds, even in the cheaper rental districts, air-conditioning and other ideas that tend to accentuate the problems of obsolescence.

The decentralization of industry is an important factor. It will have an important effect on the older established communities. He feels that proper amortization of loans is important so as to guard against depreciation and obsolescence and a shift or change in the district.

Mr. Lloyd expressed the opinion that no insurance company should place too much of its assets in mortgage loans as a class of investment and should not invest too large an amount in one mortgage loan.

There is a dangerous tendency today to accede too much to wishes and demands of borrowers at the expense of the investor's safety. The lender must take account of the possibility of inflation or panic. Insurance companies have no right to speculate. They must not lean upon a rosy future. They must be rock-bottom realists as to basic value.

"Ad" Men Seek to Sharpen Use of Sales Literature

**L. A. A. Boston Rally
Focuses on Problem—
Scott Anderson President**

NEW OFFICERS ELECTED

President—A. Scott Anderson, Equitable of Iowa.

Vice-president—Bart Leiper, Provident Life & Accident.

Secretary—Jack R. Morris, Business Men's Assurance.

Treasurer—Harry V. Wade, Standard Life, Ind.

Editor "Life Advertiser"—Powell Stamper, National Life & Accident.

Executive Committee—Victor I. Cowie, Great-West Life; Russell P. Reynolds, American Mutual; Micou F. Browne, Occidental, N. C.; Lewis B. Hendershot, Berkshire; C. Sumner Davis, Provident Mutual, and Carleton C. Loeb, Presbyterian Ministers Fund.

By HOWARD J. BURRIDGE

BOSTON—Revealing that insurance advertising is keeping abreast of constantly changing economic conditions, the annual convention of the Life Advertisers Association was held here this week. It was more of a laboratory meeting than any previously held by the organization, that is most of the speakers had sent questionnaires to the members some time ago, and in their talks discussed in detail the answers they had received and the trends they disclosed.

The convention theme was designed to help the salesmen sell. Several speakers expressed the conviction that the life advertiser's major problem is no longer producing the material, but instead getting and keeping it in practical use.

It is obvious that L. A. A. members have become much more sales minded, and they are less preoccupied with the details of producing their printed sales aids. As a group they are closer and more sympathetic allies of the agency department than formerly.

The organization has reached an all time high in size and influence. During the year it gained 15 new company and 38 individual memberships. It now has 225 members representing 135 companies. In fact the first 46 life companies, ranked by insurance in force, are L. A. A. members, as are all but one of the first 64. These impressive membership gains are attributable to the energetic Powell Stamper of National Life & Accident, who served during the year as membership chairman.

The 181 who attended were regaled by three of the top flight speakers in life insurance: M. Albert Linton, president Provident Mutual; John Marshall Hol-

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War Clause Survey Shows Increasing Restrictions

The trend in underwriting practice since September, 1939, has been continuously in the direction of closer selection and greater restriction for risks affected by the war situation, and this trend is particularly pronounced at the present time, Walter O. Menge, associate actuary Lincoln National Life, told the Institute of Home Office Underwriters at its meeting in Chicago.

Mr. Menge brought to the meeting the results of a survey on underwriting practices with respect to war risks which indicated the attitude and practices of 125 companies on and around Sept. 15. A few companies indicated changes were contemplated in the near future, and these were included in Mr. Menge's compilation. They were all in the direction of greater severity. Companies answering the questionnaire have from \$50,000,000 to more than a \$1,000,000,000 of business in force.

Six Questions Asked

Six questions regarding application of war clause restrictions were asked. All companies did not answer all questions. "Are you using an aviation rider on all male applicants between certain ages?" The results were: 24 use the aviation rider irrespective of amounts, one only for amounts over \$5,000, and 96 only where specific hazard exists. Some of the companies use the rider on applicants only if unmarried. The most popular minimum age appears to be around 15, maximum age from 26 to 45, with an upper limit of 27 to 30 occurring frequently.

"In the case of an applicant inducted into service as a draftee, do you charge an extra for the applicant's peacetime occupation if ratable?" The results: 71 charge an extra occupational rate; 42 do not, and six do not consider draftees for insurance.

Many Require Questionnaire

"Do you require the completion of a special questionnaire regarding citizenship, military applications, draft status, etc., for all applicants between certain age limits?" The result: 12 companies include a war clause in all policies without questionnaire; 64 require a questionnaire, and 42 do not use a questionnaire. Undoubtedly some of the latter have questions in their application blank which elicit the same information.

"When placing a war clause in a policy, do you require the applicant's signature to an amendment of the ap-

plication?" The result: 65 require an amendment or acceptance, and 30 do not. Practice varies somewhat on this point. Some require applicant's signature to an amendment of the application prior to issue, others secure the signature on an amendment or acceptance form upon delivery.

"What is your present practice with respect to merchant marine risks?" The result: 30 require war clauses, 43 give individual consideration, and 22 do not consider such applicants.

"Do you favor the general use of a war clause for all male applicants at this time?" The result: 87 do, 27 do not. Some feel the time had not yet arrived for war clause use. Others prefer to apply restrictions only to limited groups, excluding such categories as married men, policies for small amounts, etc.

Those in Service

Information was also obtained with respect to amount of insurance that would be written on army commissioned officers, excluding aviation branches. The result: Five will issue up to an amount not stated, five up to \$10,000, 22 up to \$5,000, 14 up to \$3,000, and two up to \$1,000. However, 70 will issue none without a war clause, and five companies will not even consider.

On army enlisted men, four indicated they would issue up to an amount not stated, nine up to \$5,000, 23 up to \$3,000, and two up to \$1,000. Sixty-eight will not issue without a war clause, and 17 will not even consider. The tendency is toward lower limits for the navy and marine corps personnel.

Aviation Branches

With respect to military and naval service including aviation, three indicated they would issue without a war clause on army pilots up to an amount not stated, one up to \$10,000, four up to \$5,000, five up to \$2,500, 76 will not issue without a war clause, and 34 will not even consider.

For air corps enlisted men, four will issue up to an unstated amount, four up to \$5,000, 10 up to \$2,500, 72 issue none without a war clause, and 33 do not consider.

For applicants under the selective service act, seven will issue an indefinite amount without war clause, one up to \$10,000, 22 up to \$7,500, 22 up to \$3,000, one up to \$1,000, 65 none, and

(CONTINUED ON PAGE 28)

McAndless Headed for American Life Convention Chief

A. J. McAndless of Fort Wayne, Ind., president of the Lincoln National Life, according to all signs and omens in the sky will be the next president of the American Life Convention. He is chairman of the program committee this year and is one of the outstanding executives of the country. Julian Price, president of the Jefferson Standard Life, the present president, will be elected to a two-year term on the executive committee. W. T. Grant, president Business Men's Assurance, will retire from the committee, giving therefore one new place to fill.

W. C. Schuppel, vice-president Oregon Mutual Life, and L. D. Cavanaugh, president Federal Life, elected two years ago, will undoubtedly be reelected members of the executive committee.

A. T. & T. Deal Is New Move

NEW YORK—Mutual Life, Metropolitan Life and New York Life, acting as a group, were awarded the entire issue of \$90,000,000 of American Telephone & Telegraph 2 3/4 percent debentures with a bid of 101.842 percent. The group nosed out a syndicate headed by Morgan Stanley & Company, which bid 101.017 and another syndicate of 179 members headed by Mellon Securities Corporation and Halsey Stuart & Company of Chicago, which bid 100.26317 percent. It was the first important test of competitive bidding and it demonstrated the power of insurance companies in this field as it has previously been shown in that of private placements.

Metropolitan will take the largest share of the bonds, \$50,000,000, Mutual Life taking \$25,000,000 and New York Life \$15,000,000. The yield at the bid price is about 2.67 percent if the bonds run to maturity and about 2.66 if they are called on the first call date.

Underwriting houses are greatly perturbed about the successful bid of the life company group. They feel that a life company or group of companies has a tremendous advantage, since it is purchasing securities to hold for investment whereas the underwriting house must take into account not only its profit but the possibility of loss on the deal and consequently cannot afford to bid as high as the life companies.

Insurance Legal Group Holds Forth in Indianapolis

Wide Range of Subjects Covered by Section of Bar Association

INDIANAPOLIS—At the opening session Monday of the Insurance Section of the American Bar Association here Edward H. Foley, general counsel of the Treasury Department, speaking on "Effect of Freezing Foreign Funds on Insurance Companies" declared that the power to impound funds of foreign countries and their corporations is proving to be a most valuable economic weapon. Not only are the funds frozen against their use in the purchase of commodities and war supplies but a source of information leaks is also stopped. This procedure by the government Mr. Foley regards as contributing vitally to the outcome of the present international situation.

It has already had a notable effect in softening the belligerency of Japan and is having a like effect on other countries. It serves as a protection too, for companies friendly to the United States but which have been for the time being, put out of control of their own finances. The activities of several thousand foreign firms have been checked by the control of their finances as taken over by the government.

Seven Billions Frozen

The act under which the government proceeds, Mr. Foley said, is most effective and its constitutionality has been passed upon by the United States Supreme Court. This action as to funds of foreign countries is minimizing the revolutionary changes in the over-run countries of Europe. Something like \$7,000,000,000 of foreign assets have been put through the freezing process. It has put the United States in a commanding position so that, as Mr. Foley said, "The American dollar is the most sought after through the world." It has its effect in controlling imports and exports. "This power is vital to the de-

(CONTINUED ON PAGE 25)

Important Figures at Life Advertisers Convention at Boston This Week



J. R. MORRIS, B.M.A.
New Secretary



HARRY V. WADE, Standard, Ind.
New Treasurer



JOHN HILL, New England Mutual
Convention Speaker



F. R. AMTHOR, Equitable, N. Y.
Convention Speaker

Plans Completed for Big Gathering at Edgewater Beach

Meeting of American Life Convention and Sections Next Week

Final touches have been put on the program for the 36th annual meeting of the American Life Convention at the Edgewater Beach Hotel, Chicago. The Legal Section will start the proceedings next Monday morning with E. A. Roberts, vice-president and general counsel Minnesota Mutual, chairman, in charge, supported by Secretary Joseph O'Meara, Jr., counsel Western & Southern Life of Cincinnati. The Legal Section will continue through Tuesday. The luncheon will be Monday noon with Ferre C. Watkins, general counsel Bureau of Liquidation, Illinois insurance department and president of the Union League Club, as speaker.

Financial Section Meeting

The Financial Section starts its proceedings Monday noon with a luncheon, its activities being in charge of C. F. Nettleship, Jr., secretary Colonial Life of Jersey City. The Financial Section is the only one that has a vice-chairman, he being Grant Torrance, treasurer Business Men's Assurance. The secretary is E. A. Camp, Jr., treasurer Liberty National Life. The Financial Section's luncheon on Monday will be addressed by J. H. Clarke, assistant vice-president American National Bank & Trust Co. of Chicago. At its luncheon on Tuesday, the speaker will be E. F. Connely, president Investment Bankers Association, New York City. The Industrial Section will start its proceedings Tuesday morning in charge of Chairman B. L. DeWitt, assistant secretary Peninsular Life, the section secretary being A. J. Palmie, assistant secretary and manager industrial department, Home State Life of Oklahoma. During the afternoon it will have an executive session in the way of a forum discussion.

Agency Section

The Agency Section is always held Wednesday morning of convention week, the chairman being F. F. Weidenborner, agency vice-president Guardian Life, his strong supporter being the secretary of the section, Vice-president J. C. Higdon of Business Men's Assurance.

The general session will start Wednesday afternoon with President Julian Price in the chair. The executive session will be held that evening and there will be two sessions Thursday.

The speakers will include: Dr. James Shelby Thomas, educator and economist, Alexandria, Va.; Dwight H. Green, governor of Illinois; Arthur Beverley Baxter, London, Eng., a Canadian-born member of the British House of Commons and outstanding journalist; Gale F. Johnston, field director defense savings staff, Treasury department; Dr. Marcus Nadler, professor of finance New York University and consultant economist Central Hanover Bank & Trust Company, New York City; Lieut. Roger Q. White, assistant district public relations officer United States Naval Reserve, Chicago, Ill.; Edward B. Raub, president Indianapolis Life; C. B. Robbins, manager and general counsel American Life Convention, and F. E. Huston, who will give his report, secretary and actuary American Life Convention.

New Top Officers of L. A. A.



A. SCOTT ANDERSON

A. Scott Anderson and Bart Leiper, who have been chosen president and vice-president respectively of the Life Advertisers Association, will make a splendid working team. Both have been wheelhorses of the L. A. A. since its inception. They know its aims, accomplishments, and the course it must steer. They have been active, working members, and bring to the two top offices of the organization a broad background of experience.

Mr. Anderson has served the L. A. A. as exhibits chairman; member of the executive committee, and during the past year as vice-president. He is manager of the sales promotion section of Equitable of Iowa.



BART LEIPER

Mr. Leiper has a long record of L. A. A. service, having been its first secretary when the organization was created in 1933. He was reelected secretary 1939-40. He was the editor of "The Life Advertiser" 1939-41 and L. A. A.'s press chairman 1938-39. A charter member of the Southern Round Table, Mr. Leiper is manager of advertising and sales promotion for Provident Life & Accident of Chattanooga.

The famous Rookwood Pottery of Cincinnati has been purchased by a group headed by W. E. Schott, Cincinnati automobile dealer, which includes C. M. Williams, executive vice-president Western & Southern Life.

Role of Selection Men Increases in Importance

Institute of Home Office Underwriters Elects Jones at Annual Meeting

NEW OFFICERS ELECTED

President—W. E. Jones, Provident Life & Accident.

Vice-president—D. B. Alport, Business Men's Assurance.

Vice-president and Editor—J. R. Ward, United States Life.

Secretary-treasurer—W. B. Lemkuhl, American Reserve Life.

Executive committee—C. C. Hamlet, Home Security Life; J. E. Van Arsdell, Southwestern Life; Joseph F. Walleck, Knights Life, and Ralph K. Dunn, Security Life & Accident.

The responsibility and importance of the home office underwriter is increasing, it was brought out at the annual conference of the Institute of Home Office Underwriters at the Edgewater Beach Hotel in Chicago last week. Savings from mortality, for which selection men are directly responsible, are becoming more essential to the companies as expenses increase and returns from investments decline.

The increased purchase of insurance for what appears to be speculative purposes, particularly among industrial companies, but also in the ordinary field, was another subject that came in for wide discussion, as did the effect of the international situation on underwriting practice.

Largest Convention

More than 130 attended the convention to make it the largest the institute has held. The organization is young, just now going into its fifth year, but it already has the reputation for getting things done. Members are enthusiastic about the good they are getting out of it. During the past year, without solicitation, 12 new member companies came in, bringing the total to 93. The institute created the new office of vice-president and editor at this session. Members are furnished with proceedings of the convention and other items during the year, and their editing and preparation is a big job.



W. E. JONES

Speculative Element

Aside from the outstanding talks, high point for members were the round table discussions of cases and problems for both ordinary and industrial underwriters. D. B. Alport, Business Men's Assurance, and R. F. Veazey, Indianapolis Life, handled the ordinary clinics; W. E. Stovell, Gulf Life, and T. L. Montague, Interstate Life & Accident, the industrial sessions.

In connection with applications which appear to be speculative, underwriters in the ordinary clinic reiterated the need of determining whether an insurable interest exists. If one doesn't, the application should be declined. The question arises frequently with insurance on a child. Unless the father is uninsurable, 22 companies require the father to carry more than the child, usually twice as

(CONTINUED ON PAGE 20)

A PROSPECT AT 95

In response to a direct mail letter offering free information about the Social Security benefits, a return letter said: "I was born September 4, 1846. I would like to arrange for some additional income for one of my daughters, born December 15, 1870. What can you do for me?"

And to this man aged 95 our underwriter sold an annuity for his daughter aged 71.

"Here is a man," writes our general agent, "who has personally lived through some of the toughest years of our country's life. He has seen the Union divided against itself in mortal combat, suffer through years of reconstruction, engage in two foreign wars, endure through numerous depressions including the worst in our history, the heroic years of the '30's.

"And today, when the country is again passing through dark days, and the future is uncertain, this man turns to life insurance as the one sure method of providing for the future financial security of his septuagenarian daughter."

THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY

Chairman of the Board

JOHN A. STEVENSON

President

INDEPENDENCE SQUARE, PHILADELPHIA

R. W. Beeson Is Named New L.O.M.A. Head

Convention Gives Attention to Home Office Personnel and Routine

CINCINNATI—To an outsider attending the meetings of the Life Management Association, the major impression would perhaps be the serious attention given the discussion on the problems of home office personnel and



RALPH W. BEESON

routine despite the length of the formal programs. The office management people are hard workers and give close study to the problems of their business, going about solving them in a methodical and analytic manner. This is reflected in their convention sessions. Only one afternoon was held open during the convention and on that day there was an evening session. The meetings open early in the morning and last late into the afternoon.

New officers of the association are R. W. Beeson, secretary Liberty National, president, and James B. Slimmon, vice-president and secretary Aetna Life, vice-president. Mr. Beeson was advanced from vice-president. The new directors are C. E. Schneider, coordinator National Life of Vermont; James Scott, secretary Guardian Life; William Breiby, vice-president Pacific Mutual, and Edmund Fitzgerald, vice-president Northwestern Mutual.

D. N. Warters, vice-president and associate actuary Bankers Life of Iowa, retiring president, automatically goes on the board, whose holdover members are R. A. Taylor, assistant comptroller Sun Life of Canada; Miss Marion A. Bills, assistant secretary Aetna Life; R. M. Green, vice-president Prudential; R. C. Massa, secretary Western & Southern; O. D. Newton, secretary London Life; H. M. Horne, associate actuary Girard Life, and L. K. Crippen, vice-president and actuary Acacia Mutual.

Much of the success of the convention is due to its hard working permanent staff, F. L. Rowland, executive secretary; L. R. Woodward and H. E. St. Clair, associate secretaries, and J. E. Mumper, assistant secretary.

Subjects Are Awesome

People attending the convention are generally comptrollers, actuaries, secretaries, vice-presidents, personnel directors, or other executives primarily re-

Hobbs Encourages Investment in Defense Bonds

TORONTO—C. F. Hobbs, Kansas commissioner and president of the National Association of Insurance Commissioners, at the conference of the Association of Insurance Superintendents of Canada, urged that insurance companies in the United States and Canada buy freely of the bond obligations of both governments.

"I have encouraged the life insurance companies in my own state to purchase Canadian bonds," he said. "Should these obligations go below par, if it becomes necessary because of the companies' financial condition, they will be allowed to carry the bonds at more than their market value. It is my intention that they will be permitted, if need be, to carry them even at par until the present conflict is ended." If Canada should lose this conflict and be compelled to repudiate its obligations, "then I am fearful of what might be the value of any bonds," he declared.

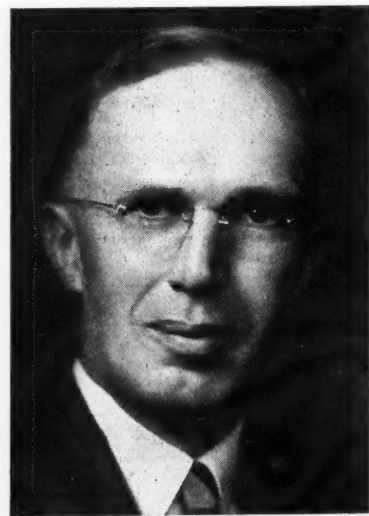
Deplores Political Control

Regarding life insurance in the United States, he said it is a tragedy that a business of its importance and necessity should be subject to the whims of politicians.

"There is no political platform or political issue written into an insurance policy," he stated, "and the insurance business (and it is strictly business) has reached such gigantic proportions that politics have no place in its operation or supervision. The public will certainly receive the best service from experienced supervision."

sponsible for home office routine and personnel problems in life company home office. Some of the subjects discussed are pretty awesome to the uninited.

New company members of the association, Mr. Warters announced, are Mutual Life, Reserve Loan Life, Rural Bankers Legion Life, United Services Life, Union Mutual Life, and Illinois Bankers. Mr. Warters said that 2,280



D. N. WARTERS

students were enrolled in the various L.O.M.A. courses last year, 34 completing the courses of study. He awarded the association's institute certificates to this latter group, assisted by Associate Secretary St. Clair.

Office management was termed a problem of increasing importance in the face of present day conditions by Mr. Warters in his opening address. Many of the future problems of the business in the future can be met by a satisfactory management program, he stated. He

(CONTINUED ON PAGE 28)

John Witherspoon Honored at Dinner

New National Association President Outlines Theme of His Administration

NASHVILLE, TENN.—"The National Association of Life Underwriters will do all in its power to help put a brake on inflation," John A. Witherspoon, John Hancock Mutual general agent, Nashville, new president of the National association, told some 300 associates and business acquaintances at a testimonial dinner for him held in Nashville. He said all life underwriters realize a very serious inflationary period could occur.

Objectives of the National association for the coming year, he said, include elimination of unqualified agents and improvement of the ability of all agents to serve the public. Insurance underwriting is being taught in 187 universities as compared with none 15 years ago, he said.

"We must not tax the thrift of the American people," he insisted. "For that reason the N. A. L. U. is strongly opposing the congressional proposal to place a tax on insurance premiums."

Many Give Testimonials

Leading the list of testimonial speakers Governor Cooper noted that the late Dr. John A. Witherspoon, father of the National association president, was president of the American Medical Association, first from the south to receive this honor. The governor also paid honor to C. A. Craig, chairman National Life & Accident, for having served as president of the American Life Convention.

Sam McGaw, Connecticut Mutual, president Nashville Association of Life Underwriters, as master-of-ceremonies commented that John Witherspoon was the fourth N. A. L. U. president to come from the south in the 53 years of its existence.

Commissioner McCormack was a speaker. Others included E. B. Stevenson, executive vice-president National Life & Accident, substituting for Mr. Craig, who was unable to attend; S. S. Keeble, counsel Life & Casualty, substituting for President A. M. Burton, and T. G. Hall, Hall & Benedict fire and casualty agency, president Nashville chamber of commerce.

Lavish in Serving Institution

Cecil Woods, president Volunteer State Life, friend of 25 years' standing, spoke of Mr. Witherspoon's "fine, grand, friendly personality, which has been literally poured out in behalf of the institution of life insurance."

John Hancock was represented by J. Harry Wood, vice-president, Boston, and W. M. Houze, general agent, Chicago, past president John Hancock General Agents Association. Mr. Houze also extended greetings from the Chicago general agents and paid his respects to Mrs. Witherspoon, and John, III, and Gilbert, the Witherspoon's sons, who were guests.

E. T. Proctor, National association executive committeeman and Tennessee general agent Northwestern Mutual, presented Mr. Witherspoon with a floral design, sent by C. A. McCauley, Detroit, Michigan manager of John Hancock, which he offered as a "Winner's Wreath" to "Whirlaway John."

C. C. Day Conducts Seminar

Carroll C. Day, Oklahoma City general agent Pacific Mutual Life, conducted a two-day sales seminar for the L. C. Swinney agency of that company in Dallas, with more than 40 Pacific Mutual agents in attendance, including members of the Fort Worth unit of the Swinney agency and representatives from the Houston and San Antonio agencies invited by Mr. Swinney.

N. F. C. President Sounds Policy of No A. E. F.

Heaney Backs U. S. Defense Program in Address at Annual Convention

A policy of not sending "one single American boy into the battlefields of Europe," but of uniting wholeheartedly to create and organize the best defense program in the world and to give all possible material aid to countries fighting for democracy, was sounded by Thomas R. Heaney, president-elect of National Fraternal Congress, in his acceptance address at the San Francisco annual convention.

Mr. Heaney expressed conviction neither present conditions nor any which might be conceived could warrant sending our soldiers abroad. He is secretary of Catholic Order of Foresters, Chicago, and has been N.F.C. vice-president for the last year.

He deferred the formulation of a general policy, saying this is a fast changing world and no one accurately can predict future problems and their solutions.

"In my opinion," Mr. Heaney said, "we have reached a period in our history where those into whose hands are entrusted the responsibilities and grave problems confronting our country look to the fraternal life insurance system to demonstrate its economic and spiritual service unselfishly. To this important extent, we are on trial."

He expressed confidence the N.F.C. officers and leaders of member societies would meet and solve internal problems as they arose.

More Progressive Attitude

The convention was not marked by strong, positive action in any particular, but there was clearly evidenced the purpose to attack all problems with much more progressive viewpoint and methods. Particularly was this shown by the strong emphasis placed on selecting and training better field representatives and writing quality business.

F. P. Matthews, K. of C., chairman committee on fraternal ethics, in the final session reported no complaints received this year, unusual, he said, in such a troubled time. However, the committee stressed special care should be taken not to do anything to reflect on fraternalism. It also warned against careless appointment of field representatives. The committee urged review of the code of business principles and ethics adopted at Detroit in 1939.

Hospitalization Institute

W. E. Wright, A. O. U. W. of North Dakota, reported on field work. Joseph F. Lamb, K. of C., membership chairman, reported several societies admitted in the year, and praised F. F. Farrell, manager-secretary, for close cooperation. Russell H. Matthias, Chicago, Lutheran Brotherhood, presented resolutions as chairman of that committee. One was for a study of the points made in an address by C. A. Togut, New York attorney, who felt a national voluntary institute of hospitalization should be formed and insurance companies should provide this coverage available at low cost to everyone, in order to keep the government out of that field. A committee of three will be named by President Thomas R. Heaney.

N. J. Williams, president Equitable (CONTINUED ON PAGE 15)

"Correct again, Noah Webster!"

THE DICTIONARY says that a "profession" is a "calling in which one professes to have acquired some special knowledge used by way either of instructing, guiding, or advising others..."

Under that definition, the proper sale and service of life insurance is a profession, for the trained life insurance agent is a man who has acquired special knowledge which he uses in guiding and advising others.

Because his calling is highly specialized, the agent has become more and more a career underwriter who works constantly to increase his knowledge and thus improve his ability to serve policyholders properly.

The Metropolitan agent, for example, is trained how to judge a family's life insurance needs and how to help each family buy the type of insurance best fitted to its needs. He learns to help distribute the protection properly among the members of the family.

The agent strives to keep the insurance protection fitted to the family's situation. He also learns to arrange modes of settlement so as to achieve most effectively the hopes and ambitions of the policyholder. On some policies, he collects premiums and sees that dividends are credited.

The agent often acts as trusted friend and advisor in problems connected with the family's policies. When a policyholder dies, the agent frequently helps the bereaved family by preparing the necessary papers and by getting the claim check promptly to the beneficiary.

The Metropolitan agent is interested in the health of policyholders and of the community in which they live. Because of this interest, he plays his part in Metropolitan's welfare service. During 1940, Metropolitan agents helped to distribute more than 52,600,000 booklets on health and safety problems. In addition, agents are instrumental in bringing Metropolitan's Nursing Service to policyholders eligible for this service. Last year, more than 3,100,000 nursing calls were made in over 7,500 American communities.

In short, the life insurance agent is more than a man who sells life insurance. More often than not, he is a career man, devoting his life to providing policyholders with the kind and amount of insurance protection they should have at the lowest cost consistent with safety.

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This is Number 42 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. Copies of preceding advertisements in this series will be mailed upon request.

Metropolitan Life Insurance Company

(A MUTUAL COMPANY)

Frederick H. Ecker,
CHAIRMAN OF THE BOARD

Leroy A. Lincoln,
PRESIDENT

1 MADISON AVENUE, NEW YORK, N. Y.



THIS IS THE FORTY-SECOND in Metropolitan's series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. It appears in: Collier's, Oct. 4; Saturday Evening Post, Oct. 4;

Business Week, Oct. 4; Time, Oct. 6; American Weekly, Oct. 5; This Week, Oct. 12; Forbes, Oct. 1; United States News, Oct. 3; Cosmopolitan, November; Nation's Business, October; Fortune, October; Newsweek, Oct. 6.

Okays Reinsurance of Central States

Mutual Savings Life Awarded Defunct Company's Assets

ST. LOUIS—Mutual Savings Life, organized here several months ago to re-insure Central States Life, had its bid for the defunct company's \$58,000,000 of insurance in force and its admitted assets, etc., approved by Circuit Judge Flynn.

Judge Flynn, who had the matter under advisement for several days, acted on the recommendation of former Insurance Superintendent Lucas.

Allen May, former general solicitor for the General American Life, is president of Mutual Savings Life, which has moved into the old Central States Life home office building at 3663 Lindell boulevard. For the time being all of the home office personnel of the old company is being retained.

Prior to approving the bid, Judge Flynn signed an order ending the rehabilitation of the Central States Life by the Missouri insurance department, stating that a continuation of this process "would be futile."

Held Fair and Equitable

Judge Flynn stated that he regarded the Mutual Savings Life bid to be "fair and equitable to the policyholders of Central States Life and all other persons interested. The proposal will afford greater benefits and advantages than could be realized by the policyholders under a distribution of its assets through liquidation of the company."

The only other bidder for the Central States Life was the State National Life of St. Louis, whose proposal was also considered by Judge Flynn. Cornelius J. Shea, president State National Life, when advised of Judge Flynn's decision in favor of the Mutual Savings Life, said his company will make no further effort to press its proposal.

The only other prospective bidder was the American United Life of Indianapolis, Ind., which withdrew its proposal a few days before the court hearing got under way.

Concentrate on Conservation

Under the direction of Judge May the Mutual Savings Life will concentrate on the conservation of the business now in force and endeavor in every way possible to work out the very best recovery for the existing policyholders before it makes a serious effort to write new business.

At a directors meeting the following additional officers were elected: Gordon P. Henderson vice-president and treasurer; Clarence R. Goodrich, secretary and actuary, and J. Dewitt Mills, superintendent of agents.

Economy is to be the watchword for the coming months. In its bid for the Central States Life's business the company put a ceiling on administration expenses limiting them to the average of the 15 companies of comparable size and type of business licensed to do business in Missouri. Every effort will be made to hold the actual expenses much below that average so that all possible savings may be effected in the interest of the policyholders. Since the company is 100 percent mutual all gains will be utilized to reduce the initial liens placed on the insurance in force.

Liens Are Established

The Central States Life was taken over by the Missouri insurance department on Nov. 26, 1940, after a special examination had revealed an impairment of \$4,457,568 in the assets. However, the total lien that is being placed on all of the existing business is \$5,200,000, including interest on liens and the necessary cushion for emergencies. The lien is being waived on all policies issued since April 12, 1934, when a Missouri statute required all new business issued

READY FOR A BIG WEEK



MILDRED HAMMOND

The American Life Convention, which will hold its annual meeting at the Edgewater Beach Hotel, Chicago, next week, will have two supervisors at the registration desk, Assistant Secretary Mildred Hammond and Assistant Treasurer Lillian Wille, who are



LILLIAN WILLE

responsible for the details of the convention. In fact, they have been making arrangements for many weeks. These two women are important factors in the organization and their work, always thoroughly done, contributes much to the success of the meeting.

by Missouri companies to be registered. On the registered business placed prior to April 12, 1934, the lien is to be 30 percent, and on all non-registered business it will be 60 percent. The lien on the old Home Life business is being raised to 60 percent.

Mutual Savings Life has in its reserves about \$110,000, that sum representing the single premiums paid by prominent St. Louis business and professional men for \$1,000 three-year single premium endowment policies placed with the new company.

Payments Are Ordered

In decreeing the transfer to the Mutual Savings Life, Judge Flynn directed the new company pay the following items:

1. Unpaid expenses of the insurance superintendent incurred in handling the Central States Life's insurance and assets and in closing the business, including attorney and actuarial fees and court costs.

2. Federal, state and other taxes.
3. Death losses and matured policy claims, matured and due on or before Nov. 26, 1940, when the receivership began, as and when they become due and payable.

4. All valid claims of secured creditors against the Central States Life to the extent of the value of their security.

Will Pay Off Dissenters

The decree of court also recognized that some creditors and policyholders may elect not to accept the new company's plan of mutualization. Such parties it is provided, are entitled to receive such amounts as will be equivalent to those which would be realized by them in the event of an actual forced liquidation and sale of the assets:

73.7 percent of valid and establishable claims of all holders of registered policies.

28.4 percent of valid and establishable claims of holders of non-registered policies.

28.4 percent of deficiency claims of secured creditors.

The bulk of Central States Life's assets was in real estate the largest single piece being the Park Plaza Hotel. Other holdings include the Daniel Boone, Lindell Tower and Alden apartments.

Mutual Savings Life was organized by Alfred Fairbank, president of Central States Life when the department took it over. The court hearings before

Judge Flynn emphasized that neither Mr. Fairbank nor the final board of the Central States Life were responsible for the company's financial troubles, since those were inherited from prior administrations. Mr. Fairbank, who stepped aside to permit Judge May to become president of the new company, will for the time being continue with it as a director, but he has accepted an important new position in another line of business, which may limit the time he can serve on the Mutual Savings Life board.

Other directors of the new company, are: A. S. Kendall, president Cruden-Martin Manufacturing Co., St. Louis; F. E. Gunter, president, Coca-Cola Bottling Company of Hannibal, Mo., and R. E. L. Hill, Columbia, Mo., all of whom were on the final board of Central States Life, and Dr. E. C. Ernst, radiologist; Wallace Renard, Renard Linoleum & Rug Co.; R. C. Hobbs, Hobbs-Western Company; E. R. McCarthy, vice-president Brown Shoe Company; G. M. Berry, president Berry Motor Car Company, all of St. Louis.

NEBRASKA NOT TO OBJECT

LINCOLN, NEB.—Insurance Director Fraizer of Nebraska has now decided he will enter no objections to the Central States-Mutual Savings deal. He said he would advise the large Nebraska policyholders to continue payment of premiums to the successor company.

F. R. Carlin Is Indicted

Francis R. Carlin, former supervisor of St. George Fraternal Life of Chicago, was indicted Tuesday by the Cook County grand jury on charges of embezzlement and larceny of \$106,716 of the society's funds. Carlin was captured at Gallup, N. M., and returned to Chicago. Assistant State's Attorney C. Vernon Thompson stated that Carlin has confessed losing the money betting on horse races and speculating in grain. Mr. Thompson stated that Carlin told him that he would plead guilty when arraigned. Carlin has no funds and will be unable to make restitution, it appears.

Day Is Dallas Speaker

Carroll C. Day, Oklahoma City general agent Pacific Mutual Life, spoke at a luncheon meeting of the Life Insurance Managers Club of Dallas.

All-Out Inflation Termed Unlikely

Mutual Life, N. Y., Economist Sees Tight Government Control

Though prices are rising and promise to go substantially higher and the setting may look like a perfect one, the probability of inflation in this country in the sense of that which occurred in post-war France and Germany is negligible, D. B. Woodward, research assistant to the president of Mutual Life of New York, declared in a talk before the Life Office Management Association at Cincinnati. "Just as the Maginot Line concept of how this war would be fought proved fallacious, so I think that while higher prices will come, the pattern of financial consequence may differ greatly from the last war," he said.

The loose finance of today is much more apt to lead to greater government control than to inflation. In times when economic organization was based on the free market in which the purchaser was dictator and did with his funds as he would, the balance of demand and supply determined prices, and under extreme conditions of swollen demand and restricted supply, extreme price levels resulted. Today, Mr. Woodward said, with the expanded function of the state, intervention and control may be more likely results than an extreme price rise. This is just what has happened in Germany in an extreme form.

Among the many methods open to the government for financial control, including direct price control, Mr. Woodward listed stimulation of savings to restrict purchasing, forced savings, numerous types of credit restriction and direction of production. What more will be used depends on developments.

Productive Power Unparalleled

Any inflationary tendencies in the United States will tend to be limited by the unparalleled productive power of the country, he said. Price rising tendencies will be confronted after the war with supplies of goods so great as to tend to beat prices downward.

The productive potentiality of the country is not the only respect in which it differs from nations which have had inflation in the past, Mr. Woodward continued. The country has a degree of self-sufficiency in resources and an independence from need to purchase abroad that the other nations did not have. Another difference is that in other cases, capital could flee abroad when alarmed by domestic conditions and by its flight contribute to weakness in the financial structure and thus to inflation. No foreign refuge for capital exists today.

There are further trends in the present national economy which, if they continue, will present problems to financial institutions, he said. They involve investment conditions, interest rates, competition, marketing problems and operating questions different in some degree from those prevailing during most of the life of institutions and people in American insurance, banking and finance.

Taxes Lessen Big Incomes

One of the factors that must be reckoned with is the diminishing amount of income in the high brackets, attributable to taxes, and the expanding income in lower brackets as a result of employment and overtime work. How long the expansion in the lower groups will be maintained is a question of the duration of high economic activity.

Mr. Woodward pointed out that many individuals are likely to have a smaller margin between their income and their necessary living costs in the future. Shrinkage of this margin will result from rising taxes and rising living costs, and the margin will have to be spent economically to cover both saving and consumption of luxury and semi-luxury

items. This means that the cost of a product may be increasingly important in its sale.

He saw savings institutions meeting increasing competition from the government. Just now the appeal to individuals is being pushed as a war measure, but it started before the war and the logic of the spending concept calls for it to continue and to be expanded after the war. Savings institutions are likely to find a whole variety of attractive government securities as competitors for the individual's money.

Low Yields to Continue

Those engaged in the investment of money continue to experience low yields, at least lower than have been regarded as "normal" until recently and investors still holding high rate obligations acquired years ago may continue to experience declines in their overall return as refunding to lower rates is carried through. Those concerned with investment will continue to place a growing proportion of funds in governmental securities.

In the face of the overwhelming evidences of change which he had outlined, Mr. Woodward closed optimistically. He maintained he saw little reason for discouragement and nervous apprehension. Rather he viewed the new environment as presenting an increasing, fascinating challenge to financial institutions. He termed it a challenge to imagination, to ingenuity, to courage, and a challenge to broaden horizons, to develop greater adaptability, to expand spheres of influence and to find new ways to serve organizations and men.

Failure to Pay Registration Fee at N. A. L. U. Convention Causes Embarrassment

In the spirit of desiring to promote the welfare of future conventions of the National Association of Life Underwriters some of the Cincinnati leaders who were hosts at the recent N. A. L. U. convention, advanced the idea that a special effort should be made to cause all of those who attend to register and pay the necessary fee. Apparently the number of life insurance people who have gone to the convention city without so registering has been increasing in recent years. The Cincinnatians have developed the fact that about 300 insurance men were registered in Cincinnati hotels but did not register for the convention.

About 2,200 registered for the convention of whom about 1,900 were from places other than Cincinnati. This is believed to be the largest outside attendance in the history of the association.

Share in Benefits

The Cincinnati people believe that a good many of the 300 who were in the city but did not register enjoyed much of the hospitality of the local association.

It is difficult for the sergeant-at-arms committee to prevent persons without badges from attending meetings and it would be embarrassing to attempt to prevent them from accepting local hospitality. It has been suggested that the National association send a bill to each of the individuals who did not register, for the regular convention fee. This would be of no benefit to the Cincinnati group because the local association gets none of the registration fees.

The convention budget of the N. A. L. U. was \$9,000. The entire registration fee goes to the National association to defray this expense. In addition it costs the local companies and local underwriters about \$7,000 for their share of the convention expense which included much promotional work in securing attendance and entertainment. Many who paid the \$5 registration fee felt that this paid for all of the local entertainment. As a matter of fact, not one cent of it goes for such a purpose. The local association acts as complete host.

Proctor Planned Estates Manager at Houston

Robert B. Proctor, member of the staff of the Sales Research Bureau at Hartford, has rejoined Planned Estate Associates as resident manager of a new branch at Houston, Tex. He has been with the bureau for two years as a consultant, visiting many of the member companies and agencies. He has taken part in schools in agency management and served in an editorial capacity on a number of bureau publications.

A native of North Carolina, Mr. Proctor attended Rollins College in Florida and then studied finance at Babson Institute. In 1932 he joined Planned Estate Associates at Charlotte, N. C. He became associated with the Osborne Bethea agency of Penn Mutual in New York as assistant to the general agent in 1935. While in New York, he maintained his connection with Planned Estate Associates as their representative there. Mr. Proctor holds the C.L.U. degree.

Order four copies of Albert Hirst's "When a Man Dies" for \$1 from National Underwriter.

Asbury Becomes Partner in Aetna St. Paul Agency

Walter F. Stone, general agent for Aetna Life in St. Paul, has taken into partnership L. V. Asbury, who has been assistant general agent for the past five years.

Mr. Asbury joined Aetna in 1926 as a group representative. He represented the group division in Springfield, Ill., Peoria, Denver, Buffalo, New York City, Minneapolis and St. Paul. While in St. Paul he joined Mr. Stone as assistant general agent.

NEW ENGLAND MUTUAL

presents the NEW

Supplementary Income Policy

— low-premium protection providing monthly income to retirement age

THIS new coverage stands ready to fill the gap in case of death during the years when the insured's earning power is highest and his family most dependent on him—the years between now and his retirement age. By providing an income during those crucial years, it fits exactly into the period which remains unprotected by Social Security benefits and by many retirement plans. It is a separate policy, which may be added to any existing program.

What the policy provides:

1. Monthly income of the amount *the insured chooses* until the terminal date *he specifies*. Usually the date will be determined by the time when he would have reached age 65, or when his wife would become eligible for Social Security or other retirement benefits.

2. Monthly income for *at least 4 years*, if death occurs within four years prior to the terminal date.

3. Annual dividends which may be used to reduce the premiums or allowed to accumulate at interest.

4. Privilege of applying the premium, through use of the conversion option, to various life or endowment forms, without question of insurability if the change is made at least ten years before the terminal date.

...flexible, low-outlay income protection for the years when family needs are greatest.

How the protection works:

For example, a man now age 25 can provide guaranteed income protection of \$100 a month for the next *forty* years—a possible maximum return of \$48,000—at a cost of only *65 cents a day*. Even this cost is materially reduced by annual dividends.

PREMIUMS FOR \$10 MONTHLY INCOME

Age at Issue	At age 60	At age 65	At age 70
20	\$19.00	\$22.00	\$25.00
25	19.50	23.00	26.50
30	20.00	24.00	28.00
35	20.50	25.00	29.50
40	21.00	26.00	31.00
45	21.50	27.00	32.50
50		28.00	34.00
55			35.50

Issued in units of \$20 a month and larger

This is a *Supplementary Income Policy*. It is a form of term insurance, and has no cash or loan values. It does not supplant the protection of other life insurance policy forms—but provides most efficiently for specific needs under present-day conditions.

NEW ENGLAND MUTUAL Life Insurance Company of BOSTON

GEORGE WILLARD SMITH, President

THE FIRST MUTUAL LIFE INSURANCE COMPANY CHARTERED IN AMERICA

Review Recent Comments on Common Stock Idea

NEW YORK—Since legalization of common stock investments for life companies operating in New York state is to come before the legislature's joint committee on insurance law revision Oct. 21 some of the writings on this subject, previously regarded as of purely academic interest, have taken on new significance. Of particular interest are a paper by Fergus J. McDiarmid of Lincoln National Life, presented at last spring's Actuarial Society meeting, and the testimony of Dr. Oscar L. Altman of the Securities & Exchange Commission and Dr. A. H. Hansen, professor of political economy at Harvard, in the savings and investment hearings of the TNEC.

Mr. McDiarmid summarizes his views about the life insurance investment situation as follows:

1. The amount of long term private debt outstanding in the United States, which has provided the main medium for life insurance investment in the past, has contracted during the past decade. Also a considerable part of this debt now in existence has deteriorated in quality to a point where it is no longer suitable for the investment of life insurance funds.

2. During the decade life companies have increased their investment in this debt very largely by taking over at lower rates of interest a large volume of debt formerly held by others. This process has obvious limitations in so far as the future solution of life insurance investment problem is concerned.

3. While the process of sharp contraction in outstanding private long term debt has now come to an end, any marked expansion in the volume of this debt seems rather unlikely.

4. To increase the investment of life insurance companies in private industry may call for additional investment in stocks.

5. The rate of interest to be earned on the future increment in life company funds is likely to approximate the rate obtainable from federal government bonds.

Mortgages Might Increase

After citing figures to show why it is unlikely that there will be any large increase in the long term private bonded indebtedness, Mr. McDiarmid concedes that it would be foolish to rule out a substantial future increase in the total outstanding mortgage debt but observes that unless life companies as a whole are able to obtain a considerably larger proportion of this debt than they have in the past such an increase will not be an important factor in the solution of the investment problem.

Concerning common stocks as an added investment channel, Mr. McDiarmid cites state laws, particularly of New York and Wisconsin, and the necessity of valuing stocks at market as the main reasons why they are not more widely bought by life companies. Perhaps the most important single reason for suggesting that life companies be permitted to invest more freely in stocks is that only in this way can a substantial stake be obtained in some of the most promising and rapidly expanding divisions of American industry, such as the chemical industry, many of which have little or no bonded indebtedness, he contends.

Tend to Be Those on Decline

"As long as investments are strictly confined to bonds there is a tendency to encourage investment in industries which are in the Indian summer of their prosperity, such as the railroad industry in the twenties," he observes.

After citing figures to how rapidly stock market averages can decline in relatively short periods, and the conse-

quent effect of forcing companies to value their holdings of stock at market, Mr. McDiarmid continues:

"It seems entirely inconsistent to subject the preferred or even the common stock of an industrial enterprise whose long term trends are favorable, when these stocks have few senior securities ahead of them in the capital structure, to harsher valuation rules than the bonds of another industry whose long term trends are adverse.

Makes Concrete Comparison

"A concrete comparison along such lines might be between the common stock of a successful manufacturer of chemicals or electrical equipment selling below cost in a depressed stock market, and the mortgage bonds of a railroad selling below the amortized value because an appreciable solvency risk has developed largely as a result of unfavorable long-term trends in the industry. There is every probability that the market value of the former will stage a comeback, while the betting is that the market of the latter will decline further. Yet under existing valuation requirements the value of the stock must be written down but not that of the bond.

"The current ruling that dividend paying stocks may be carried at cost provided the life company owning them is earning an over-all rate of return equal to its actuarially required rate of interest does not seem to be a sound alternative. The reason for this is that there is no apparent connection between the over-all rate earned on total assets of the life company and the real value of the stock.

Would Penalize Quality

"It is quite conceivable that the average rate earned currently by one life company might be held up through the ownership of securities of secondary quality, while that of another such company might be held down because it had chosen to purchase only securities of the highest quality. Certainly this circumstance should not be allowed to react to the benefit of the former company in the valuation of its common stock.

"It should be possible to devise some relatively simple mechanical formula for stock valuation which would deaden the shock of a rapid market decline and would at the same time give weight to the implications of such a decline. The effect of such a formula would be spread such a write-down over a period of years. A practical suggestion would be to write down a stock in any one year by one-fifth the difference between its cost to the purchasing company and its market value at the year end, as long as the stock is dividend paying.

"When dividends are no longer paid, the stock would immediately be written down to market value. By starting the write-down from actual cost it would discourage the writing up of book values of stocks above their cost. It would encourage the investment in stocks of companies in stable industries with stable dividend records."

The testimony of Dr. Altman and Dr. Hansen which is contained in Part 9 of the TNEC proceedings, analyzes the economic factors in investment. Dr. Altman's testimony particularly emphasizes the effect of the financing of improvements and expansion through depreciation reserves, which make it unnecessary to borrow for these purposes. He pointed out that the capital markets during the period 1923-29 never contributed so much as \$2,000,000,000 a year toward the financing of plant construction and the purchase of machinery and equipment.

While the volume of securities was greatly in excess of \$2,000,000,000 a

VICTORY

Three dots and a dash

... "V" ... stand for Victory.

During the first six months of 1941, we made more than Fifty Million Dollars gain in Life Insurance in force, thus bringing the certainty of Shield service and protection to thousands of additional policyholders and their beneficiaries.

The
NATIONAL LIFE AND ACCIDENT Insurance Company, Inc.

C. A. CRAIG, Chairman of the Board

C. R. CLEMENTS, President

HOME OFFICE
NASHVILLE

NATIONAL BLDG.
TENNESSEE

year a considerable portion of these issues went for refunding, while others were floated by investment trusts, and still others were designed for financial purposes, that is, to build up cash balances and to buy securities for investment or for mergers and consolidations. For example, in 1929 the total of new corporate issues was about \$10,000,000,000, of which about \$2,500,000,000 was for refunding.

In his testimony on the causes of depressions and booms, Dr. Hansen pointed out that because of technological improvement in equipment "you may have a very great improvement in your capital equipment merely through the expenditure of depreciation and depletion allowances, without any new savings at all." Just before that he had remarked: "... in the modern highly developed economy the capital outlays on mere replacement is enormously important as against the capital outlays on expansion and I would call your attention to the fact that it is only the expansion outlays that can absorb new savings. The replacement and renewal outlays are financed by depreciation allowances."

Risks Are Different Now

Later in his testimony Dr. Hansen pointed out that as compared with the highly dynamic 19th century—a rapidly expanding economy which could afford to undertake risks and willingly undertook them—our current and less rapidly expanding economy is perhaps in a stronger position to safeguard itself from the risks of technological innovations but is compelled to face larger risks from institutional change and from social and international upheaval and that this makes the problem of adequate investment outlets more difficult.

The committee which will hear the various opinions on common stocks as life company investments will meet Oct. 20-21, but the first day will be devoted to the question of permitting trustees to invest in insurance company stocks, the second day being given over to life company investments in common stocks, according to Chairman Russell Wright, assemblyman of Watertown. Hearings will be held at the state office building, 80 Centre street, New York City.

Newhart Heads Home Office Agency of Mutual Trust

Mutual Trust Life has appointed H. A. Newhart field supervisor for Cook county, Ill., and manager of its home office agency, filling the vacancy created last June when R. H. Wienecke entered active service as a reserve officer in the army.

Mr. Newhart has had more than 20 years of experience in life insurance agency and administrative work. He joined Mutual Trust in 1933 following a period of over 13 years with the old National Life U. S. A. and was named manager of the policy department in the home office early in 1934, continuing in that capacity until January, 1940, when he was appointed agency secretary. He now relinquishes that position to devote his full time to agency production and development work in the Chicago area.

Resists Mutualization Plan

Suit to restrain Union Central Life from converting itself from a stock to a mutual company was filed in common pleas court by Attorney Scott A. Belden of Akron, a policyholder. The petition, filed by Attorney C. F. Schnee, Belden's law associate, recites that a policyholders' meeting has been called for Oct. 24 to determine whether the mutual plan, already approved by stockholders and directors, will be ratified. Belden charges that Ohio laws under which the change would be made are unconstitutional. The court is asked to enjoin use of capital and surplus, or other funds, for the stock purchase, and to ban any other plan for mutualization of the company.

Important Official Changes in K. C. Life

KANSAS CITY—Important official changes in Kansas City Life were decided upon by the directors Thursday.

F. W. McAllister, veteran general counsel, is retiring and his place is taken



F. W. McALLISTER

by Ray B. Lucas, who has just stepped out of office as insurance superintendent of Missouri.

J. A. Budinger, vice-president and actuary, takes the place of Mr. McAllister on the executive committee.

Daniel Boone, who was president, and Walter J. Bales, who was vice-president and treasurer of Midland Life of Kansas City, were elected vice-presidents of Kansas City Life. Midland Life was recently reinsured by Kansas City Life. Mr. Boone becomes a director, succeeding Mr. McAllister.

Mr. McAllister has a host of friends in the business. He is a former attorney-general of Missouri and has been general counsel and a director of Kansas City Life since 1921. He is a former chairman of the Legal Section of the American Life Convention.

That Mr. Lucas would join Kansas City Life was unofficially reported last week.

Head Recommends Drastic Control for U. S. Economy

KANSAS CITY—Stringent federal control of prices, wages, etc., was recommended by Walter W. Head, president of General American Life, at a real estate board meeting here. Only such action will prevent inflation and a collapse of the American economic system, he said.

Expressing abhorrence of such a drastic method, nevertheless Mr. Head said he believed it is necessary.

Camps National Committeeman

The New York City Life Underwriters Association has elected Manuel Camps, Jr., general agent of John Hancock, as national committeeman.

Beatrice Jones, Equitable Society, association president, has appointed General Agent J. M. Fraser of Connecticut Mutual as head of a committee to promote the sale of defense bonds and stamps. Mr. Fraser this week gave a luncheon for some of his associates on the committee.

Great National Life of Dallas has joined the ranks of those making 100 percent contribution to the national defense program. Every member of its home office force is making systematic purchase of defense stamps and bonds regularly under a salary deduction plan.



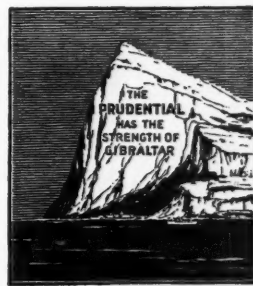
"Yes"

A short word, but how significant when it means that a family's wage earner has decided to acquire life insurance.

Remind your prospects of the cogent observation once made by Racine, immortal French poet.

"A single word," he wrote, "often betrays a great design."

What could possibly be more important to any man than the protection of those nearest and dearest to him—his wife and children?



The Prudential Insurance Company of America

Home Office, NEWARK, N. J.

Savings Bankers Regard Insurance as Answer to Their Problems

At the recent annual convention of the Savings Banks Association of the State of Maine, two prominent spokesmen for savings bank life insurance were featured, they being Edward A. Richards, president of the New York Savings Bank Life Insurance Fund, and Robert F. Nutting, president of the Savings Bank Life Insurance Council of Massachusetts.

They were seeking to create interest for the introduction of a savings bank life insurance plan in Maine and much of their talks was devoted to explaining how the life insurance operations contribute to the welfare of the banks.

Some of the points that they emphasized are not commonly heard in discussions of the question. Both of the speakers said in effect that a life insurance department is a most effective spark-plug for a savings bank. It constitutes what might be termed streamlining and it compensates to a large extent for the weaknesses of regular savings bank operations which are lapsation of deposits and inconstant use of accounts.

Insurance Accounts Stick

Mr. Nutting, for instance, declared that the life insurance department is attracting and holding a peculiarly persistent type of saver to his institution. His bank has issued more than 18,000 policies since Nov. 1, 1924, when the life insurance department was established. About 14,000 or 76 percent of these are still on the books.

In the same 16 year period in the savings department the banks opened almost 92,000 new accounts and almost 58,000 or three-fourths of them have since been closed.

"In other words," he said, "we still have three-fourths of the life insurance policies on our books, but only one-fourth of the savings accounts. Many of our savings accounts are used infrequently and have negligible balances whereas most of our life insurance policyholders are paying premiums regularly and have steadily increasing cash equities."

During the past seven years the insurance department has issued about 10,000 policies and about 89 percent are still in force. During the same period the savings department has retained only 47 percent of the savings accounts that were opened up.

Problems of Savings Banker

Mr. Richards likewise contended that life insurance is the answer to many of the problems of savings banks. He recalled that two years ago at the annual meeting of the Savings Bank Association of New York several members expressed concern because of the high mortality of savings accounts, because very few depositors save according to plan and because the average age of depositors is well beyond middle life. Mr. Richards quoted Thomas Riley, Jr., president of the National Association of Savings Banks, as stating that savings banks have been operating for 125 years with but slight change in their methods of operation and they are now faced with a problem of whether they should continue to follow in their old way or enlarge their field of usefulness. He also referred to the high average age of depositors and stated that there was need for a continuing and increasing flow of new depositors, especially the young people just starting in life. He said that a vigorous recruiting program is necessary.

Mr. Richards asserted that there has been found in New York and in Massachusetts a potent self-sustaining, savings bank service, which in large measure, will solve many of these problems. In New York, he said, the savings bankers did not at once recognize the potential value in this service. It was to some extent thrust upon them. Some doubted that life insurance was the kind of service savings banks should or could ren-

der. But now those that have entered the system are most enthusiastic about it and all are deeply interested.

"They have found that it not only brings into our banks younger men and women, but it brings those that recognize their responsibilities to themselves and to their families; the kind of depositor that not only comes to us and opens an insurance account, but who adds to it with clocklike regularity."

The relationship that is set up when a customer opens a life insurance account is much more intimate and more satisfactory than the relationship of one who is merely opening a savings account. Such a customer becomes well acquainted with the bank and he identifies it as his bank. He is grateful and appreciative.

Moreover Mr. Richards said that at least one-third of the life insurance depositors never had a savings account before. For the years 1939 and 1940, Mr. Richards said, 44 percent of the savings accounts that were opened in the three original issuing banks in New York had been closed out by Aug. 1, 1941, while only 8 percent of the insurance accounts that were opened in those same two years had closed. In other words, there was 44 percent mortality in savings accounts as against 8 percent in insurance accounts and many of the savings accounts were inactive.

Minding Our Business

Mr. Richards posed this question: "Have life insurance companies done a pretty good job, if so, why should we compete? Should we not mind our own business?"

Mr. Richards said that life insurance companies have in many respects done a pretty good job, but he contended that savings banks have done and can do a better one. He asserted that savings banks are not writing life insurance because they wish to compete with the insurance companies but because they desire to serve those they were organized to serve. He contended that there is no difference whatsoever in principle or purpose between an ordinary savings account and a life insurance savings account. Both are thrift projects designed to help people help themselves.

Life insurance, he argued, is savings bank business. Savings accounts are the business of life insurance companies, he contended. A life insurance account is a savings account designed to induce people of modest means to lay aside something regularly out of their earnings to the end that if they die their loved ones may not be deprived of the things that only money can buy. If the "depositor" lives his allotted time, Mr. Richards asserted, as most of them do, he will have laid aside for himself something to take care of him in his old age.

"If that isn't what savings banks were organized to do, then I do not know the purpose of savings banks," he declared. "Each of these accounts has the same purpose and design and I am inclined to think that for many, in this day and generation, the life insurance account serves best."

Life insurance companies have accumulated \$30,000,000,000 in savings, he said, while mutual savings banks have accumulated \$12,000,000,000. He contended that life insurance companies solicit savings accounts. The ordinary policy, he argued, is about 75 percent savings and 25 percent cost of insurance risk and expense. The endowment policies he characterized as savings accounts flavored with a little term insurance.

The Wiese agency of Northwestern National Life, Chicago, held an all-day sales congress conducted by W. F. Grantges, director of agencies. The agency is conducting a two-month sales drive. Leading agents will be guests of Mr. Wiese at the Northwestern-Notre Dame football game Nov. 15 at Evanston.

STORIES FROM LIFE



IF AGENTS COULD USE FORCE!

"Thirty years ago I bought an endowment policy in your company and now, after receiving yearly dividends and having had protection all this time, I received a certificate for face of policy plus dividends.

"This is like money in a bank, and I am receiving regular interest on my money.

"This insurance was, so to say, **forced** on me by one of your local agents.

"I often think how much better we all would be if life insurance agents could use **force** and make us buy life insurance **now**, instead of postponing this much needed insurance to our later years when rates are high and our earning power has ceased. Many thanks for your prompt attention in taking care of my policy."

(F. D. B., Pittsburgh, Pennsylvania)

STABILITY—SAFETY—SECURITY

PROVIDENT MUTUAL
LIFE INSURANCE COMPANY OF PHILADELPHIA
Pennsylvania • Founded 1865

General American Contest for Head Possesses Many Patriotic Elements

The President's Month Campaign of General American Life, observed annually during October, has as its central theme this year, a direct appeal for support of the national defense program.

Campaign announcement literature bears the "Minute Man" insignia heralding a company-wide effort honoring president Walter W. Head, and proclaiming the field organization to be "100 percent for Defense of our Country, Our Prospects, and Ourselves."

All production awards will be made in United States defense savings bonds and stamps. Under a system of point awards, which will be exchangeable for the purchase of defense bonds and stamps, every agent automatically becomes an active participant in the defense program.

Minute Man Insignia

Heading the list of campaign literature is a large broadside in red, white, and blue colors, designed as the initial contest announcement as well as for permanent display on the bulletin boards of the agencies. The imposing "minute man" insignia adorning the front cover gives forceful attention-compelling value and stresses the theme of the contest.

Prefaced by a message from Vice-president Jack T. Lynn, in which he draws the analogy that "life insurance, like defense preparedness, cannot be bought too late . . . it must be secured in advance of impending emergency," the center spread of the announcement presents the objectives of the campaign in unique and ingenious form. A border of outline half-tones features the portraits of 58 general agents and branch managers, who jointly proclaim that the field force is going "All Out" in the "100 percent For Defense Drive."

There will also be extensive companion literature. Special recognition is given to the representative in each agency first to attain 100 percent of his assigned quota.

Six engraved plaques will be awarded to the leading agencies.

W. W. Head's Record

Contest literature points to Mr. Head's record as president of the Boy Scouts of America for the last 16 years; his current work as chairman of the Missouri United Service Organizations for National Defense and his chairmanship of the St. Louis and St. Louis County U. S. O. campaign committee. While a resident in Omaha, during World War I, he assisted in the organization of the Nebraska Home Guard and, as a major, was its commanding officer; he was chairman of the Nebraska Red Cross; a member of the Liberty Loan Committee, and was chairman of the United War Work Committee, forerunner of the present-day U. S. O.

Los Angeles Congress Is Addressed by Simon

Leon Gilbert Simon, New York, addressed the Los Angeles Life Underwriters Association at its first educational meeting and sales congress of the year, conducting a business insurance course. John W. Yates, general agent Massachusetts Mutual; W. G. Gastil, Los Angeles manager Connecticut General, and Dr. F. P. Woellner, were on the program. Joseph Charleville, executive secretary, reported attendance of 400.

Mr. Gastil spoke on "Challenge of Professionalism." "Life underwriting is a business that has the aspects of having arrived and being complete or else it has the attributes of a profession. Some day the life insurance salesman will operate as a professional

man and not as a high pressure salesman or peddler, and then will have prestige and will enjoy the confidence of the public," he said. "The fundamental law of life is change, and the individual must meet the changing conditions or be eliminated. I believe that the life underwriter has a future."

"It is my prediction that this is the dawn of an era which will witness the writing of the greatest number of business insurance cases that this country ever has seen, of larger policies for men and women of larger incomes."

Mr. Yates told "What's in a Policy." Dr. Woellner, professor of education University of California, Los Angeles, spoke on "Ten Definite Certainties for 1941-42." He said there will be no revolution, no invasion, no inflation, no dictatorship, no fundamental change in the pattern of our life.

N.A.L.U. Staff Is Spared 22-Floor Climb in Strike

NEW YORK — Members of the headquarters staff of the National Association of Life Underwriters were somewhat delayed in going between the office and the ground floor during the recent elevator strike in the Salmon Tower building, 11 West 42nd street, but nobody was forced to walk up or down the stairs. This was fortunate, as N.A.L.U. headquarters is on the 22nd floor.

In the adjoining building, 500 Fifth avenue, which is under the same ownership, John Alexander, office manager, and Miss Ruth King, both of the Ralph G. Engelsman agency of Penn Mutual, made the trip via the stairs but this was a matter of only 15 floors compared with the N.A.L.U.'s 22. Other-

wise all members of the agency made the trip by elevator as did everyone in the A. A. Harris agency of Equitable Society, which is on the 19th floor.

Pittsburgh Agency's 75th Anniversary Celebrated

H. H. Chase, general agent of Aetna Life, and William H. Osborn, casualty branch manager, were joint hosts at a reception and dinner in Pittsburgh, in celebration of the 75th anniversary of the founding of the Aetna Life agency there.

President M. B. Brainard, Vice-president S. T. Whatley and Secretary E. C. Knapp of the home office were guests.

Mr. Osborn, Mr. Chase and Secretary Knapp spoke briefly. Vice-president Whatley gave an inspirational talk, after which he presented President Brainard.



ON GUARD

Our agents can depend on the tried and tested method which leads logically to the sale of the John Hancock Readjustment Income Plan and has behind it the strong impetus of national advertising.

John Hancock
MUTUAL
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS
GUY W. COX, President

Wernette Tells Opportunity in Business at Dallas

DALLAS—Life insurance offers a maximum of opportunities to those who qualify themselves to do today's selling job, H. B. Wernette, National Life & Accident, Corpus Christi, president of Texas Association of Life Underwriters, said at the Dallas association's opening meeting of the season. Life insurance salesmen, who today have attained a high professional basis as regards standards and competency, are offered permanence, compensation, opportunity for advancement, the privilege of initiative, pleasantness of work and good citizenship, he said.

Mr. Wernette also was guest of honor at a breakfast given by the Life Insurance Managers Club of Dallas, with L. W. Klingman, Equitable Society, presiding. In the afternoon he met with leaders of local associations in north Texas regarding activities of the Texas association for the coming year. The Dallas association's educational committee, headed by Lyman E. King, Minnesota Mutual Life, met also in the afternoon to consider an educational program.

Plenty of Opportunity

Discussion at the luncheon of opportunities offered life men brought from Mr. Wernette the declaration that in America today there are countless thousands of homes intact and free of mortgage, where food, clothing and shelter are provided solely through the medium of a carefully planned program of life insurance worked out by some well qualified and conscientious life underwriter.

"The seniority rule of old, which is today working a hardship on several of the major industries in this land, has no bearing on life underwriters and their future," he continued. "In this profession of ours, recognition and advancement are usually given only to those who merit it by their past performance. The business of life insurance today, possibly to a greater degree than any other line of endeavor, places our own individual success directly upon our own shoulders. Our own initiative is the yardstick to our individual success."

Cecil Woods Host to Agents

Cecil Woods, president of Volunteer State Life, entertained his agents club in New Orleans for three days. Club membership is earned by quality business with high persistency.

There was a boat trip, golfing, and attendance at the Tulane-Boston College football game in the Sugar Bowl.

An attractive insignia ring was presented to each club member. The ring bears the letters "VSL" on the face, encircled by the name of the club. The Latin words "vis" and "socius," meaning strength and fellowship, on one side of the band and on the other side the year of membership.

Accompanying Mr. Woods from the home office were Dr. John B. Steele, vice-president and medical director, and Howard Blanton, agency vice-president.

The average length of service of the men who qualified for the club is 19 years, and this group produced one-third of the entire volume of Volunteer State in the club year.

Owen Manager at Roanoke

Warren H. Owen has been appointed manager for Metropolitan Life at Roanoke, Va., to succeed Daniel H. Carmine who died June 8. Mr. Owen joined Metropolitan in 1922 at Charlotte, N. C. He was made an assistant manager in 1927, and served in that capacity at Spartanburg, S. C., and Gastonia, N. C.

In 1936, he was appointed an agency instructor for the southern territory, and in 1938 was promoted to field training supervisor for that area.

Diamond Life Bulletins increase sales. Write 420 E. Fourth St., Cincinnati.

Rose Above the Greatest Obstacles

A. K. Perego, Milwaukee manager of the Wisconsin National Life, at its agency convention reviewed the decades from 1900 to 1940 as far as life insurance is concerned. He showed, for instance, that from 1900 to 1910 agents were confronted with the Armstrong investigation and the sales resistance was terrific. Yet business doubled during that time. From 1910 to 1920 was the war period. The flu epidemic was at hand and reports went abroad that some companies might fail. These were chaotic times and a great strain on the people. Yet again life insurance doubled. From 1920 to 1930 was the era of prosperity when people went wild. Most people were playing the stock market. They wanted to use their own money and make much more than they could through life insurance investment. Paper profits were wiped out and yet in this era again life insurance doubled. From 1930 to 1940, Mr. Perego characterized as the time of readjustment. Banks were closed, life insurance lapsed, there were loans and surrenders galore and often at best the only substantial thing left was life insurance. It was a time when rehabilitation and readjustments were at

hand. During this decade there was a great increase in life insurance.

Starting in 1940, he said, there was one great difference in the methods used in the sale of life insurance and that was that the public was demanding that life men assume a professional aspect. They should have sufficient knowledge to be able to diagnose a person's life insurance needs and then apply insurance to meet them. He said that it is necessary to be well acquainted with the social security act so that it can be linked in with a life insurance program. The ability to get necessary information from a prospect before a recommendation is made is highly desired. The agent must be able to build a life insurance structure that is sound and durable. The opportunity for a high grade agent, he said, is greater than ever before and the responsibility is heavier. The agent should be able to render the highest service.

Mr. Perego was a well known pilot during the first war and he has been a teacher in aviation. His first call in the morning and the first in the afternoon is on new prospects.

R. J. Peplinski, Green Bay, Wis., said that he has found it very desirable to

change his clothes from time to time so that he could be in accord with people whom he was soliciting. He ascertains their occupations and their condition and then he aims to put on apparel that will bring him closer to them. He aims to get on easy and even terms with his prospects.

Prudential Fla. Veteran Retires

JACKSONVILLE, FLA.—Harvey R. Payne, veteran of more than 30 years' service with the Prudential, is retiring as manager of the Miami ordinary agency. That office will be managed from here and will be under the direction of Charles W. Campbell, head of the Jacksonville ordinary agency. The agency held a meeting at Ponte Vedra Beach, at which the announcement was made.

To Hold Coast Convention

Provident Mutual Life will hold its Pacific Coast regional convention in San Francisco Oct. 16-20. General agents and agents from all the Pacific territory will attend. Willard K. Wise, agency vice-president, and Nelson A. White, advertising manager will attend. Mr. Wise will return to Philadelphia and Mr. White will go to Los Angeles Oct. 22 to spend a few days with the James H. Cowles general agency.

CAPITALIZE ON YOUR FIELD SUPERVISORY SERVICE

The Midland Mutual's field supervisory service is constantly on the alert to aid its men. Such aid is in the form of actual field help.

For example: A Midland Mutual agent, after studying his time control sheet, realized his percentage of closed cases was not nearly what it should be. He pondered over the situation and could not detect his own weakness. The Field Supervisor was approached. The agent presented his story and rehearsed the sales presentation. Immediately it was discovered that his starting to fill out the "app" was so sudden and premature it scared the prospect. Corrective measures were suggested and their adoption has meant additional sales for this Midland Mutual representative.

Many elements enter into an agent's success. One of them is adequate, honest supervision. If you are having trouble finding prospects, if your sales story is not effective, if your closing ratio is too low, consult your manager, general agent or field aid service.

THE MIDLAND MUTUAL LIFE INSURANCE CO.
Columbus, Ohio

Make Allowances to Cover Higher Living Costs

Northwestern Mutual Life has introduced a bonus plan for the benefit of employees whose annual salaries are \$3,000 or less. The bonus is being paid, as it was during the last war, in recognition of the increased cost of living. The total cost of the bonus will run \$60,000 to \$70,000 a year. The bonus amounts to 5 percent and the first payment will be made for September.

Connecticut Mutual Life has also granted increased allowances in recognition of increased living costs. The directors authorized granting of additional compensation of \$160 to each married male employee whose salary does not exceed \$5,000 a year and \$80 each for all other clerical employees and others on an hourly wage basis. This is before federal social security tax and will be payable in quarterly installments.

Recommends Cook's Book in Very High Terms

Dr. J. M. Conley, medical director of the Wisconsin National Life, in his address at the agency convention, recommended very highly to agents the book, "Issued As Applied For," the authors being the late Dr. Henry Wireman Cook, vice-president and medical director of the Northwestern National Life, and his son, H. W. Cook, Jr., assistant underwriter. Dr. Conley said that he read something from this book himself every day. He counts it not only a valuable work for medical directors but more so for men in the field. He recommended especially Part III for rate book men. The cost is \$2 and is sold by THE NATIONAL UNDERWRITER.

Farmers Seek Insurance Company Loans on Products

A resolution has been passed by the Iowa Farmers Union authorizing the legislative committee of the organization to attempt to have the insurance statutes of Iowa amended to permit insurance companies to make loans on non-perishable farm products up to at least 75 percent of market value. In passing the resolution, the union observed that the federal government has for a number of years loaned money to farmers on such crops and that it is now recognized that a loan secured by proper mortgage on sealed crops is as high a type of investment as can be made.

The Farmers Union will request the governor of Iowa to appoint a committee made up of representatives of insurance companies and farmers to make a study of the insurance statutes. This committee will be expected to make recommendations at the next session of the legislature. It is reported that Governor Wilson and Commissioner Fischer are favorable towards such an amendment.

Drafting Minn. Questionnaire

ST. PAUL — Following up his announcement at the annual meeting of the Minnesota Association of Insurance Agents that he proposed to tighten up on granting of agents' licenses, Commissioner Johnson and his staff will get to work at an early date on drafting questionnaires to be sent to agents.

Separate questionnaires will be prepared for each type of agents, one for fire agents, one for life, another for casualty. Representative agents in each field will be invited to help prepare the questionnaires. The information given by the agents when they return the forms will guide the department in determining the fitness of the agents to continue in the business.

Rules on Defense Bond Deposits

SAN FRANCISCO—U. S. Defense bonds of the F or G series registered in the name of the insurer and offered to the insurance commissioner for deposit purposes by companies, are not acceptable

as they are not assignable, according to an opinion rendered to Commissioner Caminetti of California by the attorney-general's office. In a previous opinion, however, the attorney-general advised that the provisions of the insurance code do contemplate a transfer of title and this requirement is met where the bonds are registered as previously outlined by attorney-general. Series E bonds are not eligible for deposit purposes, however, according to the opinion.

Remove Restrictions on Women

American United Life has removed several of its restrictions on issuance of insurance to women. The limitations on retention past age 40 have been removed and the recently adopted limits for these ages are the same as for men. The company is now issuing term insurance to women, removing a long standing ban. These actions are based on the belief of the company that with a reasonably careful selection female mortality results are fully as satisfactory as those experienced on male risks. In regard to term insurance, American United feels that where the risk is self-supporting and there is reasonable need for the type of coverage, it should be granted.

A. L. Portteus Heads Indiana Company Group

A. Leroy Portteus, vice-president of Indianapolis Life, was elected president of the Indiana Association of Legal Reserve Life Insurance Companies at the annual meeting.

James M. Drake, president of Empire Life & Accident, was elected vice-president, and Fred H. Stehling, secretary State Life, was elected secretary. E. Kirk McKinney, president of Jefferson National, was elected a member of the executive committee. Other committee members are A. J. McAndless, president of Lincoln National and past president of the association, and the officers.

Farm Mortgages Are Favored

Equitable Society has notified farm loan borrowers of its liberalization of the pre-payment privilege allowing them to make payments on principal in any amount at any time. Interest will be to the date payments are received regardless of terms of the note, provided the funds used are from farm income. The move has been made to enable farmers to take advantage of their present improved situation and to en-

courage them to own their farms. In its notice to borrowers, the company emphasizes its desire to maintain its total investments in the farm loan field undiminished and reiterates its conviction in the soundness of conservative farm loans.

Seek Interpretation of New Law

LOS ANGELES—Challenging the interpretation of Commissioner Caminetti that fraternal and religious organizations come under a new amendment to the California insurance code Loyal Order of Moose has filed a suit in the superior court here seeking judicial clarification of the code.

The provision requires every organization paying sick benefits, contributing to burial expenses of members, and conducting similar activities to incorporate, and to file with the commissioner a complete financial statement. Its purpose, according to J. E. Keating, legislative counsel Loyal Order of Moose, is to protect the public from fly-by-night insurance schemes, but its application to established lodges, and religious organizations, and even to labor groups which pay sick benefits to members, jeopardizes benefits on which many persons rely.



"...AND MOTHER AND DADDY"

but if something happened to her Daddy, would she and the others grow up having the things he hoped for? Would Mother be able to carry on in the same way?

Such is the Great-West Life's approach in stressing the universal need for family protection. Representatives are given the full support of the Company's advertising plus new and proven sales aids.

THE GREAT-WEST LIFE
ASSURANCE COMPANY

Head Office.....Winnipeg, Canada
Business in Force.....\$640,255,615

C. L. U.

Insurance Vital to Nation, Indianapolis C.L.U. Hears

Life insurance is a primary aid in the defense program because it protects millions of American homes in peace and in war, and the investment of life insurance funds in government bonds and other long time investments tend to stop price inflation, Dr. John P. Williams, Philadelphia, educational director of American College of Life Underwriters, said at a luncheon of the Indianapolis C.L.U. Members of the Indiana and Indianapolis associations cooperated in the meeting.

Life insurance protects nearly every American home, Dr. Williams declared, and nations whose homes are secure against economic emergencies resulting from the death of the breadwinner are strong nations. The life insurance companies own a larger amount of government bonds today, than ever before. By directing a substantial portion of the increased earnings of workers of the nation into investments of a savings character, such as life insurance and defense bonds, a powerful anti-inflationary force is created, he said.

Newark to Have C.L.U. Course

NEWARK—The American College of Life Underwriters has designated the University of Newark as one of the cooperating institutions preparing students for the C.L.U. examinations and the courses are open not only to all candidates contemplating taking the C.L.U. examinations but also to a limited number of life insurance men wishing to familiarize themselves with the C.L.U. material even though they do not intend taking the examinations. Information may be obtained from the local C.L.U. study group leader, Albert J. Schick of Prudential, care of University of Newark, 40 Rector street. The fee for each of the five courses offered is \$22.

Nashville Chapter Elects

The Nashville C.L.U. chapter has elected these officers: Kimbrough Dunlap, Prudential, president; Ed Britt, New York Life, vice-president; L. D. Crews, New York Life, secretary-treasurer.

Plan Columbus Classes

The Columbus C.L.U. chapter is arranging for C.L.U. classes to be held this winter. Prospective students are being asked what days of the week would suit them best and whether they would rather have the classes held at Ohio State University or in a downtown high school. A 30-week course is proposed.

Degrees Conferred in Cleveland

The Cleveland C. L. U. chapter held the largest meeting in its history last week, with 160 in attendance. F. L. McFarlane, Aetna Life, member of the Million Dollar Round Table, spoke on "You Can Write a Million." Dean Herbert C. Hunsaker of Cleveland College spoke on the need for greater preparation and encouraged enrollment in C. L. U. courses. Earle Brailey, New England Mutual, conferred C. L. U. degrees on the Cleveland qualifiers. President Clarence Pejeau of the Cleveland Life Underwriters Association discussed prestige building.

Robert J. Murphy, assistant manager of the Van Goldman ordinary agency of Prudential, Chicago, has a new daughter, Patricia Ellen, born at the St. Francis hospital in Evanston.

Vice-president Oliver Thurman of the Mutual Benefit Life, spent some days with the Murrell Brothers agency, Los Angeles, after visiting the northwest, and was the guest of honor at a dinner.

New England Mutual Has Southeastern Rally in Va.

Presentation of new sales plans, discussions of prospecting under present conditions, and clinics on business insurance methods and programming featured New England Mutual's fall regional conference for members of its agencies of the southeastern states at Virginia Beach, Va. Sixty-five field men, many of them accompanied by their wives, were in attendance.

Headliners on the program included Maj. R. J. Guinn, general agent emeritus at Atlanta; D. L. Williams, Richmond, on "Our Job Today"; E. L. Foulks, Greenville general agent, "New England Mutual Friendships"; Wayne C. Metcalf, C. L. U., Roanoke general agent; Earle W. Sapp, Washington general agent, and Fred H. Bunnell of Richmond, who comprised the trio of speakers at the advanced underwriting clinic on business insurance; Miss Nell F. Burns, Birmingham, discussing "Social Security as a Springboard to Sales," and R. D. Quisenberry, Jr. who presented "Sales Slants from Career Underwriting."

In a panel discussion on prospecting, Benjamin W. Davis, Richmond general agent, as chairman quizzed a board of experts which included R. C. Bowman, Roanoke; F. S. Chisholm, Birmingham general agent; H. W. DuBois, Savannah; E. W. Folsom, Tampa; J. H. Foster, Richmond; H. A. Hirsh, Washington; G. L. Nettles, Montgomery; M. S. Shivers, Atlanta; A. J. Smith, Greenville, and J. B. Towler, Raleigh.

Representing the home office were Vice-president George L. Hunt, Charles F. Collins, agency secretary; Dr. F. R. Brown, associate medical director and James P. Hall, agency supervisor.

Pointers On Business Insurance

Mr. Sapp reminded the members of the business insurance clinic that many business men do not know the meaning of business life insurance, and this adds to the desirability of basing the underwriter's approach on the problems which create the need for insurance. "Our job," he said, "is to bring them to see their need, but to make our presentation as simple as possible. It has been my experience that the average business man looks upon any solution as a long, time-consuming, expensive procedure. We must not belittle the problem, nor the need of handling the matter in an approved, time-tested manner. Then our proposal must be submitted with confidence, for the agent must have confidence in his own procedure before he can convey that confidence to the prospect."

Sole Proprietor Cases

Mr. Metcalf pointed out that in sole proprietorship cases when the proprietor feels that personal insurance is sufficient to cover the situation, the agent should stress that under a proper buy-and-sell arrangement the employees, and not the proprietor, pay the premiums either directly or indirectly. A further important advantage of such an agreement backed by life insurance is that it ties into the business the valuable and capable employees, gives the employees a real incentive to put their best efforts into the business, makes the business a mutual instead of a one-man enterprise, and results in improved morale. In addition, the danger of valuable employees going with competitors or into business for themselves is much lessened.

Mr. Bunnell emphasized that "members of a partnership or a small corporation will spend the firm's money for life insurance, when they wouldn't think of drawing checks from their own checkbooks. Most men spend more time with their businesses than they do with their families, and probably think more about their businesses. How often have you had a business man tell you that he doesn't seem to get time to put his personal affairs in order? With business and profits running at the present extremely high level, this is the time for business insurance."

Dividends Used for Paid-Up Additions Not Taxable in Va.

RICHMOND—Dividends from life policies applied to paid-up additions are not taxable in Virginia, under a ruling of the state corporation commission. In its ruling to this effect, the commission said: "We are of the opinion that the principal question is not entirely free from doubt and, this being so, it is our view that the long continued administrative construction should be decisive against collection of a tax upon the amount of dividends in participating life insurance policies which are paid in the form of paid-up additions to the face value of such policies."

The matter was brought before the commission for its consideration by Superintendent Bowles after he had decided to levy a tax on such dividends. Some \$50,000 in taxes covering a period of five years were involved. A few companies were said already to have paid the levy against them in preference to making a test. A. D. Christian, Richmond attorney, appeared for the Life Presidents Association when a conference was held on the question. It was the informal opinion of the commission that a new law would have to

President of U. S. Life Returns from Oriental Tour

Mansfield Freeman, president of United States Life, has returned to New York after an eight-month tour of the company's Far Eastern territory during which he visited China, Hong Kong, the Philippines and Hawaii.

He reports that defense activities in the Philippines and Hawaii have brought about a business boom in these territories. Guam, Wake and Midway Islands, he says, are becoming veritable Grand Central Terminals with Clipper planes and ships pouring in men and material to strengthen these defense outposts. He made the trip from Hong Kong to San Francisco via China Clipper.

Mr. Freeman stated that the United States Life was one of a number of American and British companies writing life insurance in China despite adverse conditions.

He is convinced that American life insurance in the future will play an important part in American-Far Eastern relations.

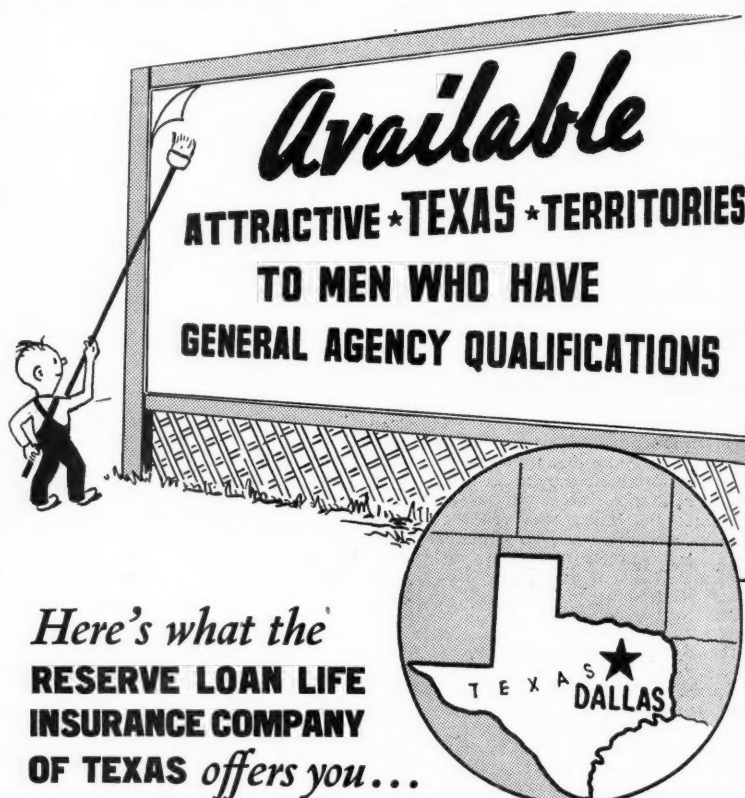
be passed covering the matter before such a tax could be levied.

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GENERAL AGENCY QUALIFICATIONS



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RESERVE LOAN LIFE
INSURANCE COMPANY
OF TEXAS offers you...

... a company dedicated to service and protection — to its policyholders and agents alike. The Reserve Loan Life Insurance Company of Texas renders full co-operation at all times. We offer you modern underwriting with liberal commissions — an opportunity for lasting, profitable relations.



For 45 years the Reserve Loan Life Insurance Company of Texas has shown consistent progress—it has earned an enviable reputation for fair dealing—friendly co-operation.

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Occidental's Managers in West Meet in Los Angeles

**VIRGIL RAGAR**

J. Edwards manager at Parsons, Kan., a district office under the company's Kansas City branch. Mr. Edwards entered life insurance in Kansas City at 19 and has been an outstanding producer, especially in the field of salary savings.

Mr. Fraizer said that the department felt it to be its duty to act where insolvency exists, according to insurance standards, and that the circumstances called for the step taken.

INDIANAPOLIS—Harry V. Wade, general manager of Standard Life, in commenting on the Pathfinder Life situation, stated that his company had made a proposal to reinsure Pathfinder. However, the directors of Standard Life, the insurance commissioner of Indiana and the attorney-general had agreed that such a proposal should fully protect Standard Life should the reserves back of Pathfinder policies and certificates become impaired, and that the proposals submitted incorporated such features. Mr. Wade stated that if a new proposal having such provisions were acceptable to the Nebraska department, he believed Standard Life would still be interested in the reinsurance of Pathfinder business.

Vice-president V. H. Jenkins presided at all the sessions. Following the close of the meeting here, the home office officials left for Chicago, where a similar meeting is to be held for the east and middle west. All the topics at the sessions were handled in round table fashion.

Dwight L. Clarke, executive vice-president, was the first speaker, devoting his address to the financial situation of the company. He said the insurance in force as of Aug. 1 was \$593,289,102.

The remainder of the first day's sessions was taken up with round table discussion of the new rate book and general underwriting subjects. Tuesday morning was devoted to the group and accident and health departments and the afternoon session to field training and persistency. The entire day Wednesday was given over to recruiting, training and financing of agents.

(CONTINUED FROM PAGE 4)

George G. Perrin, general counsel Modern Woodmen, discussed the uniform death and survival bills, and especially the absence as evidence of death uniform bill, which he said is dangerous. The principle is archaic, he said. The new bill does away with the old seven-year minimum, and provides the question as to death must go to a jury, which at any time can find an absent person is legally dead. The bills were sponsored and written, he said, by Dean Wigmore of Northwestern University law school. Mr. Perrin sees no reason why an exemption of insurance contracts should not be put in this bill, but he said it probably would be difficult to secure.

Secretary Farrell read the report on Fraternal Week observance, which emphasized the good results secured in observance of the week through use of the Liberty Bell, poster and other sales promotion material prepared by THE NATIONAL UNDERWRITER. Many societies used this material to great advantage, the committee stated. It was felt the week's observance should be continued.

John Brainard, president of A. O. U. W. of Minnesota, brought up the question of war clause, presenting the unanimous feeling of his society's board that societies should bear the extra cost of war risk and not impose it upon the soldiers who become members. It was explained to Mr. Brainard the actuarial association took a poll of opinion, which was strongly in favor of closely watching development of the situation, preparing war clauses and securing their approval by insurance departments, but not attaching them to certificates at this time.

James A. Blaha, Woodmen Circle, moved the Congress committee on security valuations prepare a proposal on valuing certain securities, for submission to Superintendent Pink of New York. That state has a law provision on valuations which the committee feels

has dangerous possibilities for societies.

The suggestion of Dr. Hugh S. Magill, president of American Federation of Investors, was discussed by F. I. Matthews, K. of C., who said he wondered against what Dr. Magill proposed to protect policyholders. He said this would be dangerous. There are plenty of people, he said, who would like to wield the power represented by organizing policyholders. It has possibilities of a political organization, and the societies, if they backed such a movement, would be "riding to a fall." He asked if the "protection" might be employed against societies.

President Benz summed up the convention, declaring the societies are strongly united and are cooperating closely in the Congress.

Vice-president Williams spoke, pledging whole-hearted support and cooperation. Herman L. Ekern and John A. Willo, new members of the executive committee, spoke briefly.

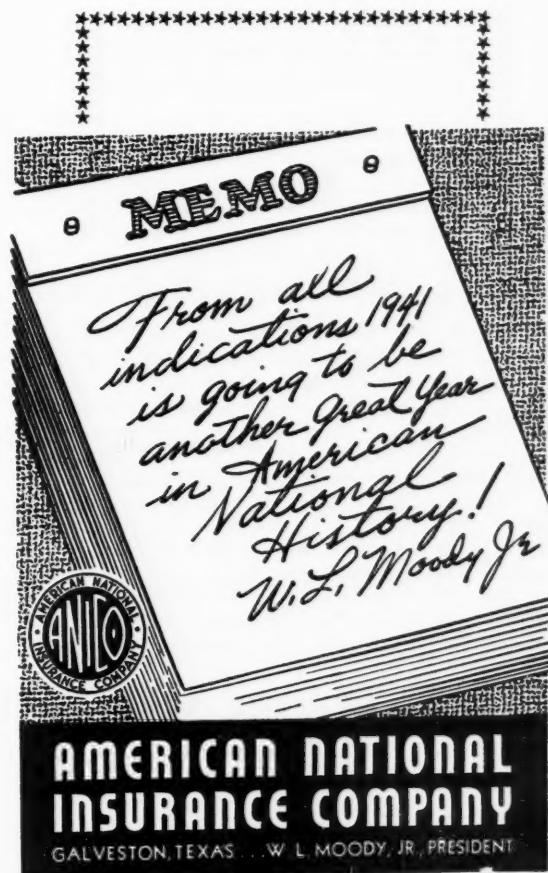
Pathfinder Life of Neb. Placed in Receivership

LINCOLN, NEB.—The Nebraska department is now in charge of the records and assessments of Pathfinder Life of Grand Island. Frank E. Landis, special assistant to the director, took over for the department. This action resulted when the directors of the company agreed to permit the state to take possession if pending suits by policyholders asking for a receiver and personal judgments against officers alleging improvident expenditures of company money were dismissed with prejudice to any new action. Their offer was accepted, and the docket cleared of all lawsuits. Valuation of policies and assets is now being made by department experts.

Insurance Director Fraizer sought reinsurance when the plan to reinsure Pathfinder Life into Standard Life of Indiana bogged down.

Pathfinder has been a department headache for some time and has not been permitted to write business in the state for the last year and a half. A previous attempt at reinsurance with a Kansas company failed.

"The department recognizes the seriousness of the step it has taken," Mr. Fraizer stated. "Nevertheless, policyholders and creditors need not be unduly alarmed, as there is thought to be a



Friendly
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EDITORIAL COMMENT

Favor Appellation—"Own Life Insurance"

THE suggestion made by Vice-president E. H. Henning, Illinois Bankers Life, seconded enthusiastically by THE NATIONAL UNDERWRITER, that if we say "own" not "carry" life insurance it will have a most potent effect in the mind of the public, is receiving approval from all sides. At the Wisconsin National Life convention G. A. L'Estrange, manager of its accident and health department, who presided over the sessions, urged its agents to employ the term. He declared that "policy owner" would mean much more than "policy holder."

Owner carries with it the implication of a desired and often valuable possession. Owning life insurance means having in one's safety box something of an investment. Carrying life insurance might very readily imply a burden, a weight. Substituting the word "owner"

for "holder" or "carrier" strikes us as a most happy suggestion. It might, after all, be the means of creating a new and more accurate view of life insurance. Single words are often responsible for public concepts.

J. C. Higdon, vice-president Business Men's Assurance, in his address at the Wisconsin National Life convention, stated that his company is urging its men to use the word "policyowner" instead of "policyholder." He feels that there is an inviting feature along property possession lines in the word "own." If it is suggested to a prospect that he should "carry" more life insurance, Mr. Higdon said, he might think about the additional expense or load he was called upon to bear and which would not come into his mind if the word "own" were used.

Constantly Shifting Scene

THESE are rapidly changing times said President Lee N. Parker of the American Service Bureau in an address. We must adopt new methods, must adapt ourselves to present conditions and demands that are startlingly changing. Mr. Parker was speaking from the standpoint of an inspector. His organization is confronted with such rapidly changing and shifting conditions that sometimes it is difficult to keep up the pace.

Therefore all in the insurance business of whatever nature need to keep their feet well on the ground and not engage in plunging, speculative methods or indulge in fanciful schemes. There is just as much responsibility placed on the underwriter and field man as the inspector. It will require sound judgment, courage and heroism to overcome obstacles and to pilot the craft through the shoals.

Conventions Offer Much Material

DURING these days there are many conventions. There is much valuable material that is being offered. Certainly anyone desiring to absorb information finds conventions of real practical value as business builders and sales aids. Some people go to conventions largely to have what they call a "good time." They indulge in various forms of entertainment and revelry and therefore do not get much of business value out of the conventions.

Today with the vast changes, bewildering, kaleidoscopic march of events, it

behooves everyone to take advantage of all sources of information and inspiration that can be found. An insurance man needs to keep his eyes and ears open for any means that will make him more service giving and more valuable to his customers.

Never before have insurance conferences and meetings been so fruitful of excellent material, which properly assimilated would make a man the master of his vocation so far as knowledge of it is concerned. Never has the need for this mastery been more pronounced.

What Does the Average Agent Think?

AS EVERY company grows its problem of maintaining high morale among field men is intensified. It is important that every agent in the field be kept in as close contact as possible with the officers at the top so that he will feel that

he is an essential part of the organization.

With approximately 25,000 managers, assistant managers and agents, Metropolitan Life officials have a tremendous job in maintaining close touch with the

man in the field. Even the territorial superintendents of agencies and their assistants have a busy time contacting field men. In the Great Lakes territory covering Illinois, Wisconsin, Minnesota and Michigan, for example, there are over 100 district offices.

Although President Leroy A. Lincoln has an able staff of agency officers to assist him in directing his vast organization, he takes time away from his pressing duties to go out in the field himself to meet managers and their assistants and representative field men in informal conferences. At these sessions he makes it a point to consult with groups of agents without managers present so he can answer their questions and confer with them on company practices. In this way he gets a true picture of agency morale. It is interesting to note that agents who attend these sessions are not necessarily sales leaders but are selected as representative agents so that Mr. Lincoln

and the other high officers who accompany him are able to feel the pulse of the average man in their organization.

This idea of contacting representative or average agents rather than just sales leaders is one that might be followed to good advantage by officers of other companies. Obviously, conferring with sales leaders at a company convention does not give the president a true picture of his organization. Many producers are at the top because they are fortunate to have outstanding personalities and high mental and work abilities. Basing company practices on the reactions of these higher type men without taking into consideration the average man, who although he is not a production club leader, accounts for a substantial portion of the company's total business, is not wise. Probably some of the agency problems now confronting companies might have been alleviated by giving more consideration to the average producer.

PERSONAL SIDE OF THE BUSINESS

L. J. Larson of Madison, Wis., comptroller of the National Guardian Life of that city, is one of the main cogs in its machine. He gave a talk before the annual meeting of his company which was well received. He is office manager along with his other duties.

Like many successful men, Mr. Larson was born and reared on a farm, his family living east of Madison. He graduated from high school and then got a job in a filling station. He saved his money so he could take a course at the University of Wisconsin and while he was so doing he worked in the University Library. He graduated in 1932, attracting much attention by the faculty of the school of commerce. At this time his father died and being the oldest son he returned to the farm, managed its affairs until he felt that he could leave.

He went with the National Guardian Life as bookkeeper in 1933 being highly recommended by Prof. Fay Elwell of the school of commerce. He had some little previous experience in business in the village of Mauston, Wis. He became head accountant of the National Guardian within a year and in 1939 was elected comptroller. He is a trustee of Immanuel Lutheran Church at Madison. Mr. Larson is held in highest regard by the home office and field people.

Deputy Commissioner C. A. Gough of New Jersey, who underwent a serious operation recently, is rapidly recovering and plans to be back at his desk in about a month. He has been with the department for nearly 50 years.

The Associated Press the other day carried a story that the reservations on the Pan-American Airways to Lisbon of President Charles F. Williams and Vice-president W. C. Stafford of Western & Southern Life and Charles F. West, former undersecretary of the interior, had been canceled. According

to the Associated Press, it has been reported, without official confirmation, that the three men would continue Vatican conversations begun by Myron C. Taylor.

Vice-president Frank L. Jones of Equitable Society was pictured in the New York "Times" for Sept. 25, presenting to Henry Heimlich of Cornell University medical college a gold watch, the annual prize of the Greater New York Safety Council, of which Mr. Jones is president. The award was made because of Mr. Heimlich's calmness and courage in saving lives in a railroad wreck near South Kent, Conn., Aug. 28.

Governor Van Wagoner of Michigan has named Charles E. Gauss, Marshall, former insurance commissioner, as chairman of the Calhoun county defense council.

B. P. Mini, Peru, Ill., field supervisor of the Wisconsin National Life, was greatly disturbed while he was on the program for its agency convention in Chicago. His wife had to be operated on and was taken to St. Anthony's Hospital in Chicago. Fortunately she recovered sufficiently so that he could take his place on the platform.

W. Tolar Nolley, general agent Northwestern Mutual Life, Richmond, Va., and Miss Josephine Lucille Hovis of that city were married Sept. 25.

Dr. W. E. Thornton, second vice-president and medical director, and W. T. Plogsterth, director of field service of Lincoln National Life, are celebrating their 20th service anniversaries.

On the same program recently, George Maltby, Equitable of Iowa, Kansas City, Kan., and Bert A. Hedges, Business Men's Assurance, Wichita, discovered that Nov. 7 is quite a day for both. It is Mr. Maltby's birthday and wedding anniversary. For Mr. Hedges it is the birthday anniversary.



THE NATIONAL UNDERWRITER

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO. Telephone Wabash 2704
EDITORIAL DEPT.: C. M. Cartwright, Editor, Levering Cartwright, Managing Editor, News Editors: F. A. Post, C. D. Spencer. Associate Editors: D. R. Schilling, J. C. O'Connor, Kenneth Force. BUSINESS DEPT.: John F. Wohlgemuth, President, H. J. Burrage, Vice President and Secretary, John Z. Herschede, Treasurer, W. A. Scanlon, G. C. Roeding, O. E. Schwartz, Associate Managers.

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NEW YORK OFFICE—123 William St., Tel. Beekman 3-3958. Editorial Dept.—G. A. Watson and R. B. Mitchell, Associate Editors. Business Dept.—N. V. Paul, Vice-Pres.; J. T. Curtin and W. J. Smyth, Resident Managers.

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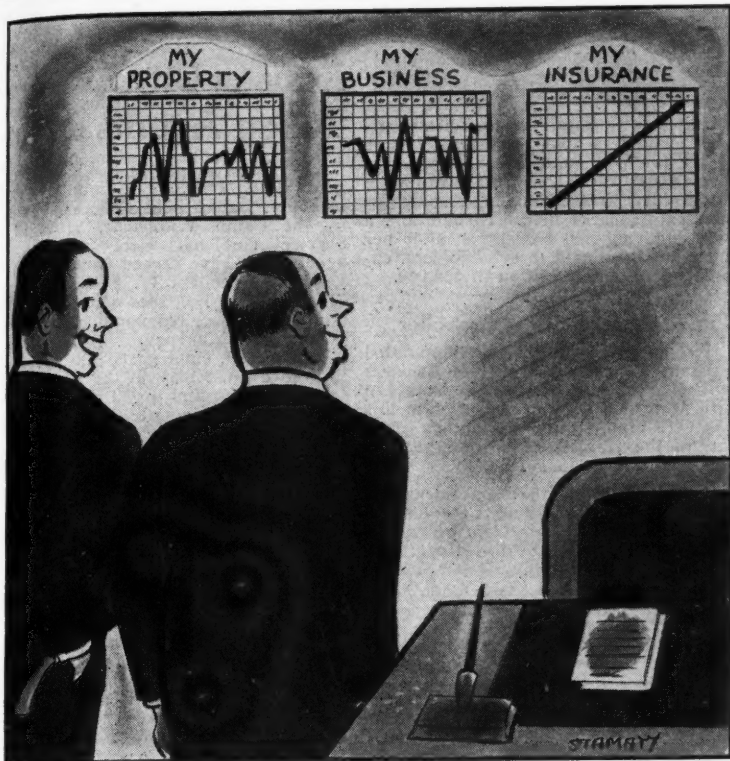
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Subscription Price \$3.00 a year (Canada \$4.00). Single Copies, 15 cents. In Combination with The National Underwriter Fire and Casualty, \$5.50 a year (Canada \$7.50). Entered as Second-class Matter June 9, 1906, at Post Office at Chicago, Ill., Under Act, March 3, 1879.



"You can see why I'll always hold on to my insurance!"

sary of the Hedges twin daughters, now freshmen in college.

R. P. Thierbach, Cleveland general agent of Northwestern Mutual Life, returned to his former home in Milwaukee to help his parents, Mr. and Mrs. Edwin Thierbach, celebrate their golden wedding anniversary. He was formerly in the home office general agency and later was an assistant director of agencies of Northwestern Mutual.

Massachusetts Mutual Life has awarded a 25-year service pin to District Manager Lawrence K. McGinnis of Marion, O. He is one of the youngest men ever to receive this award, being well under 50 years of age. He started as a career underwriter and, except for a leave of absence to serve in the world war, he has spent his entire business life to date with Massachusetts Mutual. He has averaged over \$200,000 a year for Massachusetts Mutual while also placing substantial lines with other companies. October has been set aside as "McGinnis Month" in the Cleveland agency.

En route to his home in Oklahoma City, after attending the convention of the National Association of Life Underwriters in Cincinnati, Tom B. Reed, Great Southern Life, newly elected National trustee, was taken ill and ordered to Menorah hospital in Kansas City. His illness is not considered serious but the doctors could not say just when he could be released.

William E. Sharp, president of Royal Highlanders Mutual Life, is in a Lincoln hospital being treated for a fractured hip sustained in a fall in his home. His condition is serious, but not critical.

Elliott Belden, Salina, Kan., vice-president and agency director United Life, was married to Miss Clara De Haven in Glendale, Cal. Mrs. Belden formerly resided in Salina.

Henry W. Laffer, Wichita general agent of Northwestern Mutual Life, has been elected president of the Wichita Kiwanis Club.

O. Lynn Smith, Wichita general agent of Connecticut Mutual, and Mrs. Smith are the parents of a daughter, whom they have named Gay Karen. Mr. Smith was in the agency department at the home office before going to Wichita.

Diamond Life Bulletins increase sales. Write 420 E. Fourth St., Cincinnati.

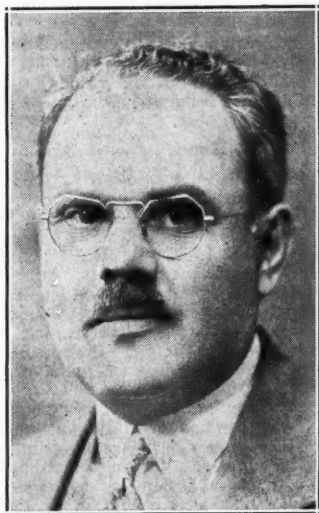
DEATHS

Col. Clarence B. Little, 86, president of Provident Life, Bismarck, N. D., is dead. He was a banker at Bismarck and for several years was a trustee of Dartmouth College.

C. P. Bailey, 51, district manager of Equitable Society at Charlottesville, Va., died there.

James A. Melone, 74, general agent of Northwestern Mutual Life at Rochester, Minn., from 1900 until 1929, and since then engaged in personal production in the Sam Erickson agency at

Top Producer Dies



ANTHONY FINBERG

Anthony Finberg, branch manager at St. Paul for Great-West Life, who died recently, was long a top producer of the company. He had been a member of the President's Club for 14 years and in 1932 and 1937 attained the presidency. Mr. Finberg joined the company 19 years ago and was appointed district manager for St. Paul in 1932 and branch manager in 1938.

Mankato, Minn., died at his home in Rochester. He started with Northwestern Mutual in 1895.

Harry C. Haight, 64, district manager of Lincoln National Life at Flint, Mich., died at his summer home at Houghton Lake. He had been in ill health for about a year. He was in the newspaper business in Owosso before entering the insurance field.

C. J. McGraw, 61, claim adjuster of Aetna Life for many years in Augusta, Me., and a lawyer, died there from a skull fracture suffered in a fall down stairs.

John C. Goode, 57, formerly Richmond general agent of State Mutual Life, died following a brief illness. After serving as an agent of Connecticut Mutual Life in Richmond under General Agent S. S. Northington for several years, he established State Mutual's first agency in Virginia. He went with Northwestern Mutual Life as a special representative in 1929 after being with State Mu-

tual nearly 10 years. He was elected commissioner of revenue in Richmond in 1933 and was only recently renominated for a third term without opposition. He was a past president of the Richmond Association of Life Underwriters.

Two directors of Sun Life of Canada, Sir Herbert Holt and Senator Lorne C. Webster, died in Canada over the week end. Sir Herbert also was a director of Imperial Life of Canada, while Senator Webster was on the board of Canadian General and chairman of the Canadian board of Union of Canton.

Columbus Agency to Honor Adams

The Columbus agency of the Ohio State Life will give a dinner Friday evening as a feature of the campaign which the field force is putting on in honor of Claris Adams, who has just closed his fifth year as president. Frank L. Barnes, vice-president, will be the principal speaker.

"I should be glad to encourage you to make an investigation of other companies, were it not that I know the needless job I'd be wishing on you. More than 50 legal reserve companies are writing life insurance in Texas, all of them under the constant scrutiny of our Insurance Department. The fact that my company is licensed to operate in this state proves that the requirements of the state's laws and of the Insurance Department have been met. No company that isn't absolutely safe is permitted to do business here, and it is the sole purpose of the regulations to make it impossible for you to pick a bad company.

"What you really are after is not a headful of figures and statistics, but a policy that will protect you and your family. Through my company, the Great Southern Life, I can offer you that policy, tailored to your own personal needs."

—From a presentation by a typical Great Southerner who holds his own company high, but who believes so completely in the institution of life insurance that to him all companies are reputable.

WE NEED MORE MEN LIKE HIM!



GREAT SOUTHERN LIFE INSURANCE COMPANY

E. P. Greenwood, President

Home Office

Houston, Texas

NEWS OF THE COMPANIES

Mutual Benefit Veteran of 55 Years Retires

Herman G. Hornfeck, vice-president and director of Mutual Benefit Life, is voluntarily retiring after nearly 55 years of service.

Mr. Hornfeck was born in Verona, N. J., the son of H. H. Hornfeck, a merchant in New York City. He attended New York City public schools, and later attended City College of New York. He



HERMAN G. HORNFECK

went with Mutual Benefit's home office as a boy of 17 in 1886.

He advanced through increasingly important posts in the finance department and in 1912 when the office of assistant treasurer was created he was selected to fill it. He continued in that capacity until 1917 when he became treasurer of the company. In 1929 he was elected a vice-president and also a director.

He has found time to participate in the civic and business affairs of the community, serving as director of the National State Bank and other Newark institutions.

Supreme Liberty Life Has Twentieth Jubilee

The Supreme Liberty Life of Chicago, the well known Negro company, has gotten out a booklet entitled "Our First 20 Years." The company started in 1921 and has had a very commendable record. The Liberty Life was founded by Frank L. Gillespie. The present company is a combination of the Liberty Life, Supreme Life & Casualty of Columbus, O., and the Northeastern Life of Newark. It had as at July 1, \$63,366,428 insurance in force. The amount in force at the end of last year was \$57,161,414. The booklet gives cuts and pictures of all the officers, a picture of the directors, home office views and other pictures of great human interest. At the end of last year it had \$2,595,112 in assets and \$325,863 policyholders surplus.

Home Life Quitting Oklahoma

The Home Life of New York has filed papers with the Oklahoma commissioner indicating its desire to withdraw from the state, effective Oct. 1.

Henry Morris with Bankers

Henry Morris has joined Bankers Life of Iowa as group representative in Chicago. For the past 12 years he has been connected with the group department of John Hancock Mutual with headquarters in Indianapolis. Bankers Life entered the group field early this year.

Freezes Funds of Ohio Insurer as Alien-Owned

The U. S. government through the Federal Reserve office in Cleveland has tied up the funds of American Citizens Life of Columbus, saying it is an alien company—Italian. It is being permitted to withdraw funds to pay salaries and commissions. The Ohio insurance department will not discuss the case but says if the permit given the company by the U. S. government is not satisfactory, it will file suit to cancel license.

Last year Dr. S. Berliner headed a group that purchased American Citizens Life. It was understood that the funds used were those of General Insurance Company of Venice & Trieste, which until recently operated in the United States for fire insurance. Its U. S. funds, however, have now been frozen.

As at Dec. 31 American Citizens had

assets \$265,259; policy reserve \$126,649; capital \$100,000 and net surplus \$24,291. Insurance in force was \$1,607,602.

Capital Increase Effected

United of Chicago has now distributed to stockholders 1,000 additional shares of its \$25 par value stock, which increases the capital to \$225,000. Each stockholder received one new share for each eight shares held. In addition, a cash dividend of 6 percent or \$1.50 per share has been paid to stockholders, entailing a total distribution of \$12,000.

Named Assistant to Comptroller

George M. Lewis has been appointed assistant to the comptroller of Farmers & Traders Life. Mr. Lewis has been with Metropolitan Life and prior to this was with Manhattan Life. He is a graduate of the University of Pennsylvania.

John U. Allen, with the accident and health department of Old Line Life of America, Milwaukee, for two years, has been transferred to the life department as field superintendent.

reviewed the many changes in the life insurance business.

Kansas City Life Texas Agents Meet

The Texas agency of the Kansas City Life under O. Sam Cummings, state manager, Dallas, held a successful meeting at Camp Waldemar, Hunt, Tex. Service emblems were awarded 97 agents who have served from five to 36 years by President W. E. Bixby. T. C. Horan, Amarillo, the oldest agent in point of service, has completed his 36th year with the agency.

Mr. Bixby emphasized the part life insurance must play in the national defense program and urged agents to prepare for the economic defense of themselves and families through ownership of life insurance. He commended the Texas agency for its excellent record in a campaign in his honor in August when it led all agencies in number of agents writing business.

Barr Emphasizes Progress

J. F. Barr, vice-president and superintendent of agencies, emphasized the progress the company is making and stressed the fact that the Cummings agency is one of the south's largest agencies for all companies and ranks among the 12 largest in the United States.

The purchase of life insurance represents an ideal way to avoid the effects of inflation if and when it is experienced. J. A. Budinger, vice-president and actuary, declared. J. E. Bee, medical director, reported only 4.12 percent rejections for the first eight months of 1941 and a mortality record of 44.81 percent of expected.

Opportunities in Options

Charles Arnold, assistant secretary, pointed out the opportunities for genuine service to policyholders in meeting their specific personal needs for insurance through use of settlement options. Special settlement agreements can be drafted to meet unusual needs. By using settlement plans the average policy sale is increased, he said.

"Life Insurance in Action" was discussed by Dix Teachener, million dollar producer from Kansas City. He demonstrated how life insurance serves the home and business and provides for old-age retirement.

Two educational sessions were conducted by W. T. Whitehead, director of sales promotion. He presented a simple method of analyzing the client's situation to determine the amount of insurance needed to meet his needs. He also explained the interview analyzer form.

Mr. Cummings paid tribute to the agents winning service emblems. He announced that the Texas agency has set a goal of reaching \$100,000,000 in force in the state by 1945, the company's 50th anniversary year.

Metropolitan Holds Great Lakes Parley

The important part life insurance is playing in the national defense program by getting people to invest their surplus funds rather than to buy commodities, thus creating competition with national defense industries for materials, was stressed by Leroy A. Lincoln, president Metropolitan Life, in Chicago, at the first of two conferences for the field men in the Great Lake territory. Over 400 managers, assistant managers and representative agents from Minnesota, Wisconsin, Illinois and Michigan outside of Chicago and Detroit attended the Chicago gathering. A similar meeting is being held this week at French Lick Springs, Ind., for the Detroit and Chicago fieldmen.

Since he became president in 1936, Mr. Lincoln has kept in close contact with the field by attending field conferences which in the main are devoted to informal discussions on company procedure and practices. Special group meetings were held in Chicago for managers,

LIFE SALES MEETINGS

Colonial Life Rally Spirited at Atlantic City

The Colonial Life's convention, held in Atlantic City, with 200 present, proved highly successful. It was the largest assembly of delegates in the company's history, due chiefly to the number of field men qualifying for attendance. It was the aim of the company early in the year to surpass the highest amount of insurance in force since its organization, and for that reason 1941 was called the "peak year." This was realized in August, with a total of more than \$128,300,000 insurance in force. This accomplishment added greatly to the enthusiasm of the convention.

President Ernest J. Heppenheimer opened the three-day session with

words of commendation and a cordial welcome.

Vice-president Charles F. Nettleship also brought greetings. The arrangements for the convention were handled by Assistant Secretary Richard B. Evans, as chairman of the program committee.

One of the outstanding features was a quiz contest, in which Assistant Actuary James G. Bruce took an active part. The winners were: For managers, Elmer P. Beans, Harrisburg; for assistant managers, Harry W. Rice, West Chester; for agents, William G. Boland, West Chester. In the free-for-all quiz, the honors fell to Agent Anthony DeProspero, Brooklyn 1, and Assistant Manager Wilbur F. Gill, North Philadelphia.

President's Cups Awarded

The banquet held special interest as Judge Heppenheimer presented the President's Cups to the following winners, who, having won three times, have now become their permanent holders: Arthur P. Kobee, manager Buffalo; Marvin W. Ayres, manager Norristown; Harry Braun, manager Beaver Falls.

The president also announced the organization of the President's Club, as a recognition of the exceptionally good records of 11 agents, who were made charter members.

On Roll of Honor

The names of the following field men appeared on the roll of achievement for 1940-41: Leading ordinary agent, Elmer S. Smith, Jamaica; leading industrial agent, John I. Moore, Butler; leading ordinary assistant manager, Angelo A. Carpentier, Mount Vernon; leading industrial assistant manager, Daniel H. Westcoat, Atlantic City; leading ordinary manager, Harry Braun, Beaver Falls; leading industrial manager, Joseph A. Offie, Butler.

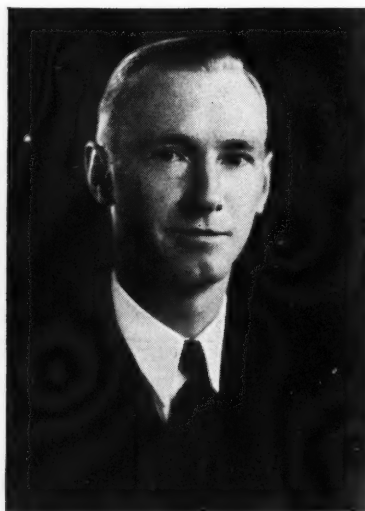
The growing number of men with long service has given recent conventions a fraternal character and this 1941 reunion resulted in something like an unwritten resolution to make the present year outstanding in production and progress.

Makes Rejection Analysis

During the last session, Dr. Chauncey O. Hollinger made an analysis of 1,000 industrial and ordinary rejections, which was most informative. He pointed out a definite lowering of the mortality rate and expressed his appreciation of what the field men were doing in the careful selection.

Mr. Nettleship brought the convention to a close with a talk in which he

Financial Secretary of Provident Mutual Life



DeLONG H. MONAHAN

DeLong H. Monahan has been elected financial secretary of the Provident Mutual Life. A Dartmouth graduate, he joined the Provident in 1932 and was elected assistant treasurer in 1934.

assistant managers and representative agents enabling Mr. Lincoln and his fellow officers to go over various points with each group. The home office delegation included Samuel Milligan, second vice-president; F. M. Smith, and Cecil J. North, third vice-presidents; A. W. Trethewey, third vice-president; Glen Spahn, field personnel officer; Austin T. Schussler, superintendent of agencies and Clarence Bethel, assistant superintendent of agencies of the Great Lakes territory.

A special feature of the gathering was a presentation of the films, "Proof of the Pudding" and "New Day" by G. D. Cody of the welfare division. The field training division presented a "Why Men Insure" demonstration at the agents' conference in charge of H. R. Poppen, national supervisor, assisted by J. J. Farrell, J. E. Farwell and E. A. Rickman. The company's advertising program and its effect on the agent was explained by E. H. Krause, coordination and advertising division. The conference concluded with a luncheon at which Mr. Lincoln and the other officers spoke.

Minnesota Mutual Holds Texas-Oklahoma Regional

A regional convention of Oklahoma and Texas agents of Minnesota Mutual Life was held at Camp Waldemar, near Kerrville, Tex., with A. J. Ballard of the San Antonio agency as chairman. H. J. Cummings, vice-president and agency director, presented greetings from President Phillips and congratulated the agency force on showing a production for the first seven months 23 percent above the same period in 1940. He then discussed the advance which the company has made and what this progress means to the representatives and to the policyholders, emphasizing the good results which have come from the investment policy followed and the confidence which has been developed in the company through most competent management.

He urged featuring of quality rather than cheapness of life insurance and said that usually, if not always, when agents seek to sell life insurance on a basis of cost they fail to give a true picture of conditions.

H. F. Beckham, assistant superintendent of agents, gave illustrations of what quality means. He said people like to be proud of what they buy whether it is a suit, dress, or a life insurance policy. He pointed out that people do not have to die to win with life insurance and that 65 percent of the benefits are paid to buyers while they are able to enjoy the result of their thrift.

Importance of Juvenile Stressed

He stressed the importance and value of juvenile insurance and explained the company's family policy.

Russell Pearson, Fort Worth general agent, was toastmaster at the banquet. Mr. Cummings introduced nine agents who have more than \$1,000,000 of insurance in force: Sam R. Weems, formerly Dallas general agent, now at Weslaco; David O. Johnson, San Antonio; Mr. Pearson; A. J. Ballard, San Antonio; Llewellyn Rose, Austin; Ira Gregory, Tulsa; Mrs. Rawls of Houston, R. L. Bowman, San Antonio, and William Wilson of Denison. He said George Nowotny, New Braunfels general agent, has produced one or more applications per week for 714 weeks; Mr. Johnson, 601 weeks, and Mr. Pearson, 560 weeks.

Mr. Weems, oldest representative in years of service, who is a life member of the Million Dollar Round Table, spoke briefly. He insisted that the reason more men do not succeed in a greater degree than they do is because they do not see enough people.

R. L. Bowman, San Antonio, was the chairman the second day. He said he has found business records are fundamental to an agent's success. He must know what results he is achieving so that he may be able to analyze the re-

sults obtained and thus be guided in elimination of things which are hindering him and costing him money.

Systematic efforts must be made from day to day so that correct habits of work may be formed, Mr. Bowman stated.

E. A. Roberts, vice-president and counsel, urged that the agent get away from the paternalistic attitude in approaching the prospect so that the prospect may feel that he is buying rather than being sold.

Mr. Roberts closed with a tribute to President Phillips as a leader.

Mr. Beckham presented the sales aids offered by the company and demonstrated their use.

Lincoln National Michigan Rally

About 100 members of Lincoln National Life from Michigan attended a two-day conclave in Detroit. The sessions were under the direction of John B. Ames and G. F. Lofthouse, general agents in Detroit.

At the first session Arthur F. Hall, chairman of the board, made a talk. Superintendent of Agencies J. P. Carroll conducted a sales instruction period after which general agents and officers attended the Meadowbrook meeting of the Detroit General Agents Association. Mr. Hall and Vice-President A. L. Dern spoke at this meeting.

Speakers at the second day session were: S. C. Kattell, secretary and actuary; W. T. Plogsther, director of field service; Mr. Hall, Mr. Dern, Mr. Carroll, D. B. Semans, chief underwriter; Dr. W. E. Thornton, second vice-president and medical director, and General Agent A. G. Green of Grand Rapids. Featured speaker was E. P. Balkema, Detroit general agent for Northwestern National Life.

Grant at B.M.A. Meetings

Business Men's Assurance held a round table at Salt Lake City for agents from Utah, Idaho, Montana and Nevada. W. M. Jones, manager in that territory, presided and President W. T. Grant spoke.

At Denver Mr. Grant held a meeting for the Colorado representatives. Manager M. V. Stenseth presided.

Bay State Defense Bond Setup

BOSTON—A program to enlist the support of insurance executives and employees in Massachusetts in the defense savings bond plan was inaugurated with appointment of the insurance division of the Massachusetts defense savings committee, under the chairmanship of Charles J. Diman, vice-president and secretary of John Hancock Mutual Life.

Other members of the committee are: George W. Berry, vice-president, Massachusetts Bonding; Robert Goodale, New England manager Preferred Accident; William A. Hebert, vice-president, Springfield Fire & Marine; Charles E. Hodges, Jr., president American Mutual Liability; Maynard E. Keiser, president Massachusetts Association of Life Underwriters; Carl C. Mullen, vice-president Columbian National Life.

NEW YORK

SUPERVISORS MEET OCT. 14

Warren Preble, general agent of Home Life of New York in Boston and one of the pioneers in the New York City Life Supervisors Association, will be the speaker at the organization's next luncheon meeting, Oct. 14 at Hotel Martineque. This will be an "old-timers" meeting, special homage being paid the charter members and past presidents.

At the September meeting the association commended the work of the committee getting up the compendium of company practices on various underwriting questions. The committee consisted of E. B. Eichengreen, Prudential, chairman; Lowell Baker, Mu-

tual Benefit Life and Richard Lichterman, Massachusetts Mutual.

It was announced that Harold Schlesinger, Columbian National, had left for camp last week. He is the first association member to be inducted under the selective service act.

MURRELL, KIBRICK TO SPEAK

The first fall meeting of the New York City Life Underwriters Association, Oct. 9 at Hotel Pennsylvania, will begin at 2 p. m. with talks by Thomas G. Murrell, general agent Mutual Benefit Life, Los Angeles, on "Finding Today's Market," and Isaac S. Kibrick, of the New York Life in Boston on "Selling Today's Market." No admission will be charged at this session but it will be open only to members.

That evening there will be a dinner at which the speaker will be Morris L. Ernst, noted attorney and author, on "The United States After the War." Cost of the dinner, including tip, will be \$2.50.

LITTLE WORLD SERIES OCT. 4

On Oct. 4, at 2 p. m. the baseball teams of Equitable Society and Metropolitan Life will assemble at Barton Stadium, New Hyde Park, L. I., for the playoff game to determine the winner of the 1941 N. Y. Commercial League

Disconsolate Agent Sees Business in Hell

A life insurance agent who has been playing in bad luck met a friend and said, "I wish I could go to hell right away." His friend was shocked and surprised. He asked him why he made such a wish. "I want to go to hell," he replied, "because everyone I have seen during the last two weeks said his business has gone to hell."

baseball championship. The team winning the league trophy three times will retain permanent possession. Metropolitan Life has won the championship once, and Equitable twice.

Statisticians Pick St. Louis

The Insurance Accounting & Statistical Association has picked St. Louis as the site for the annual convention. Headquarters will be the Hotel Jefferson and the dates are April 23-24.

Farmers Union Life of Des Moines and National Union Security Association of Denver have been licensed in Minnesota.

Our New ARROW of GOLD POLICY Provides —

- 1—Low cost protection at less than term rates.
- 2—Selection of any renewal period (not less than five).
- 3—Renewal privileges any number of times until age 60.
- 4—Final renewal to age 70 (selection period ends at age 60).
- 5—Conversion privileges any time until age 70.

A liberal, flexible, low cost contract. Extraordinary first year commissions and renewals.

Illinois Bankers Life Assurance Company

MONMOUTH, ILLINOIS

Exceptional General Agency contracts in the states of Illinois, Iowa, Indiana, Ohio, Missouri and Kansas

LIFE • ACCIDENT • HEALTH

LIFE AGENCY CHANGES

Northern Michigan Shift Announced

P. G. Teeple, Marquette, Mich., has resigned as general agent of Northwestern Mutual Life in northern Michigan and will retire Dec. 31 after 34 years as a general agent. He plans to continue as a personal producer in the agency, where he will be succeeded by J. Rex



J. REX DeHAAS

DeHaas, field supervisor, who has been associated with Mr. Teeple for 18 years. One of the pioneers of the Northwestern Mutual agency force with nearly 47 years of service, Mr. Teeple started in 1895 as special agent and within a year was appointed district agent. Until 1907 the Wisconsin and upper Michigan territory was under W. H. Surlis, but after his death it was divided into seven general agencies, Mr. Teeple getting part of the northern territory. He also took



P. G. TEEPLE

over the copper country territory in 1927, succeeding Arthur Rodd. The Teeple agency has averaged about \$1,000,000 annual production in the past 34 years. In the three successive years 1936 to 1938 it won the company's General Agents Achievement Cup awarded annually on a graded point system involving eight factors.

Mr. DeHaas joined Northwestern Mutual as a special agent in the Teeple general agency in 1923. He has done selling, recruiting, training and supervising of agents. He has been active in company and local life associations. He is

now president of the Northwestern Mutual Supervisors Association and formerly served as secretary-treasurer. He is a native of Marquette, born Oct. 6, 1894. He attended Michian State College.

Andersen Made Minneapolis Manager by Travelers: Nelson to Chicago Post

Guy O. Andersen, former manager of the Travelers life department in Duluth, has been appointed manager of the Minneapolis branch. Albert M. Nelson, previously Minneapolis manager, has been transferred to the Insurance Exchange branch in Chicago as assistant manager.

Mr. Andersen, who had previously been sales manager of a Duluth baking company, joined Travelers as an agent in 1928. He was made a field assistant five months later and in 1930 was promoted to assistant manager in Duluth. Two years later he became manager.

Mr. Nelson formerly was superintendent of schools in Fairbury, Neb., and joined Travelers as field assistant in Omaha in 1926. He was successively made field assistant and assistant manager in Dallas, manager in St. Paul and manager in Minneapolis.

Cleveland Newark Manager of Continental American

Charles S. Cleveland, producer and supervisor in Newark, was appointed by Continental American Life as manager of its office at 744 Broad street. He is well known in Newark and Hackensack, where he has lived for 20 years.

After a number of years' selling experience he went with an eastern life company in 1938, becoming supervisor 18 months later, the post he resigned to go with Continental American. He is a good instructor, a student of life insurance, and a substantial producer and gained a fine reputation as a supervisor.

Mr. Cleveland is identified with several organizations including the Boy Scouts. He and Mrs. Cleveland have just moved from Hackensack to Oradell.

A. E. Hanson Michigan Manager of Franklin Life

Franklin Life has appointed A. E. Hanson as manager for Michigan. Mr. Hanson, who has been a well known field executive in Michigan for many years, will direct a program of expansion for Franklin in that state. Mr. Hanson was associated with Michigan Union Life of Grand Rapids for more than 15 years.

Metropolitan Managerial Changes

Evariste Leger has been appointed manager for Metropolitan Life at West Warwick, R. I., succeeding G. B. Jewell, who has been transferred to Attleboro, Mass. Mr. Leger was formerly manager of a district in Lowell, Mass.

Mr. Leger joined Metropolitan in 1925 at Lewiston, Me. He was later promoted to assistant manager and, in 1936, was appointed a manager, first at Calais, Me., and then Lowell.

Mr. Jewell in Attleboro succeeds N. J. Paquin, who is on disability leave due to illness.

Mr. Jewell joined Metropolitan in 1926 at Webster, Mass. He advanced

through the ranks of assistant manager and agency supervisor, and, in 1935, was appointed a manager.

Moves Office to Charleston

R. M. Giffen, recently appointed general agent for West Virginia for Mutual Benefit Life, has moved his headquarters from Wheeling to 607 Union building, Charleston.

Carroll W. Reed, former general agent and E. M. Jacobs will continue to represent the company at Wheeling.

F. B. Francis Special Agent

F. B. Francis of Chester, Pa., has been appointed special agent Northwestern Mutual Life. Mr. Francis operated a successful automobile agency for 12 years, followed by three years' experience in life insurance. In the 12 months just completed, his paid life insurance production exceeded \$1,000,000.

A. M. Hall, formerly manager of Imperial Life of Canada at Stratford, Ont., has been appointed manager for the Niagara Peninsula, with headquarters at St. Catharines, to fill the vacancy caused by the enlistment of Manager J. H. Doyle.

CHICAGO

DISTINGUISHED SPEAKER

Commissioner J. C. Blackall of Connecticut, who will speak Friday noon at the annual luncheon of the insurance section of the Illinois chamber of commerce in Chicago, is the immediate past president of the National Association of Insurance Commissioners. He is a native of Connecticut, having been born at Waterbury. He studied law at Georgetown. He began as a newspaper man at Waterbury, being on the staff of the "Waterbury American," but later joined the Hartford "Times." He went to Washington, D. C., where he served for six years as executive secretary to members of Congress. He returned to his state and was elected to the state senate and on July 1, 1935, was appointed insurance commissioner. He is a Democrat but was reappointed commissioner by a Republican governor. He is held in high repute by all who know him.

ANOTHER FATHER-SON C.L.U. TEAM

In connection with the reference last week to R. W. and W. B. Hoyer of the John Hancock in Columbus, O., as possibly the first father and son C.L.U. combination, W. S. Fuller of the Prudential in Chicago calls attention to the fact that Lynn H. Tracy, agency manager of New York Life in Chicago, received his C.L.U. designation in 1932 and his son, Wheeler Tracy, also with the same company in that city, got his in 1938.

INSURANCE CHORUS MEETS OCT. 7

The chorus of Chicago insurance men will open its season with a meeting in Room 1401, Insurance Exchange building, at 5 p. m. on Tuesday, Oct. 7. Membership in the organization is open to men in any branch of the insurance business and there are no costs or fees of any kind. This season gives promise of being more active than ever before as

Julian Price's Hat Is to Be Locked Up

Julian Price, president of the Jefferson Standard Life and also president of the American Life Convention, makes it emphatic that he does not intend to give a presidential address at the annual meeting of the latter and thus he intends to break a spell. Mr. Price states that he is going to preside and let the other fellows do the talking. A few years ago Mr. Price was chairman at the annual meeting of the Life Presidents Association. As is known, he wears his hat continuously, in his office and everywhere else that he can. At the presidents' meeting his son-in-law secreted the hat and locked it in a special room. At the American Life Convention meeting at Edgewater Beach Hotel next week, General Counsel C. B. Robbins intends to lock his hat in the hotel vault so that he will not be able to find it when he goes to the platform.

the reputation of the chorus has been increasing and there have already been a number of requests for appearances.

The aims of the organization are to provide members the relaxation and inspiration that singing with a chorus can bring and to secure favorable publicity for the insurance business. The standards are by no means professional and any who enjoy singing and can carry a tune are urged to attend the meeting. Further information can be obtained by calling C. M. Hughes, Chidley & Reynolds, Wab. 6224.

THURMAN AGENCY OPENS SEASON

The E. B. Thurman agency of New England Mutual Life, Chicago, opened the season's agency meetings with a dinner. General Agent Thurman presided and announced qualifications for the May company convention which is to be a house warming for the new home office building. Details of a new contract proposed for New England Mutual were given.

QUINBY BROKERAGE MANAGER

Walter E. Quinby has been appointed brokerage department manager by Oliver R. Aspegren, II, the new general agent in Chicago of General American Life, and assumed his post Wednesday. Mr. Quinby has been production manager of the Conkling, Price & Webb general insurance agency, Chicago, for a number of years, and has been in close touch with the brokers.

President W. W. Head of General American was a visitor in Chicago, conferring with General Agent Aspegren on development of the new office. Plans call for it to be very active in the territory. For several years past General American has maintained only a collection office there. Mr. Aspegren has completed the task of reorganizing the clerical facilities and methods to suit the needs of a production office and now will go after agency and brokerage business.

A Monthly Premium Company doing business in Indiana and Michigan wants assistant superintendents; guarantee salary \$150.00 a month with overwriting on Monthly Premium business and 10% on Ordinary. Write, giving all particulars regarding your experience, companies you have been with, when and where, positions held, to Box O-21, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

INDUSTRIAL FIELD NEWS

Becker Points to Opportunities at Texas Gathering

Great opportunities face the alert and conscientious agent who is interested in aiding the people who are now enjoying an increased income through providing a means for the exercise of thrift, President Charles E. Becker declared before Great American Life's industrial department convention at Camp Waldemar, Hunt, Tex., attended by 114 agents.

Agents in aiding newly prosperous people to save a part of their increased income are also assisting in the defense program by helping to prevent undue inflation by curtailing excessive spending by those who are now enjoying enlarged incomes, Mr. Becker pointed out.

The two companies he heads, Franklin Life and Great American Life, now have in force more than \$230,000,000 in life insurance and operate in 21 states, Mr. Becker stated, in tracing the development of Great American Life.

Greater Achievements to Come

M. M. Johnson, San Antonio, home office inspector, assured Mr. Becker of greater achievements yet to come through improved policies and a loyal field force.

Homer Sanderford, supervising examiner Texas insurance department, paid tribute to the achievements of Great American Life president and agents in their work to decrease suffering by providing funds for emergencies.

Mr. Becker presented K. L. Riggs, Amarillo, who held the first contract issued by the Great American Life, Paul Brown, San Angelo, one of the first five to sign contracts; Pete Starnes, Abilene; Walter Sasse, Victoria, and Lawrence Knopp of Fredericksburg, and others who have been with the company a great part of its history.

Hollis L. Bridgman, San Antonio, manager, Franklin Life, pointed out that the achievements of life agents are limited only by the agent himself.

Wish to Promote Welfare

Leon D. Harp, investment department, assured agents that home office men recognize the problems of the field men and wish to do everything possible to promote the welfare of the agent.

D. C. Cross, associate general counsel, assured agents the company is desirous of rendering the best service possible both to the claimants and to the agency force.

K. L. Riggs, Amarillo, manager Franklin Life stressed the best calls get business and that there are entirely too many men who leave their wives only a washing machine for support and a bulldog for protection.

Earl C. Pollard, industrial department manager, reviewed the rapid growth of the department in business in force. Ben Settegast, Houston attorney, paid tribute to company officials.

J. V. Whaley, Texas supervisor, Dallas, gave a detailed statement as to the

homes protected in the various Texas cities through the Great American Life's industrial department. There are many homes which need industrial insurance. The salesman must first sell himself before he can place this form of protection. He developed the importance of an agent explaining clearly the service he offers and making good on what he says.

All people have problems and it is the agent's task to learn the problems of those homes where he calls so that he may guide the members of the family to an intelligent solution of their problems, Mr. Whaley pointed out.

Mr. Pollard presented leading producers in September: C. E. Wood, San Antonio, and G. M. Chaney, Houston.

R. J. Leiber, underwriting department, said that the medical and underwriting departments understand the problems of the field man and are anxious to assist agents in every possible way that good underwriting practices will permit.

W. G. Kent urged salesmen to examine themselves as to physical fitness and the right mental attitude. He stressed the importance of an agent remaining a student of the business so that he may render the company and the policyholders the type of service essential to success and that he too may profit through intelligent effort.

Kentucky Central Convention

The Kentucky Central Life & Accident, Anchorage, Ky., held a two-day agents' convention in connection with a celebration of its 39th anniversary.

Speakers included Governor Johnson of Kentucky, Commissioner Goodpaster, Ernest H. Speckman, president, and R. H. West, secretary-treasurer.

The visitors were taken on a bus trip to Bardstown, Hodgenville, Mammoth Cave and other points of interest in central Kentucky, spending the night at Mammoth Cave.

POLICIES

New Eng. Mutual Has Supplementary Income Policy

The New England Mutual Life has added to its policy forms a new contract providing a monthly income beginning at insured's death and continuing until a specified terminal date. The terminal date selected may fall between the insured's 60th and 70th birthdays, and will usually coincide with the date when either the insured or his wife would reach age 65.

This new contract is a separate policy, not a rider, and hence may be added to existing programs of policies in any company.

"This new coverage stands ready to fill the gap in case of death during the years when the insured's earning power is highest and his family most dependent on him—the years between now and his retirement age," the company states. "By providing an income during those crucial years, it fits exactly into the period which remains unprotected by social security benefits and by many retirement plans."

The policy provides:

1. Monthly income of the amount the insured chooses until the terminal date he specifies. Usually the date will be determined by the time when he would have reached age 65, or when his wife would become eligible for social security or other retirement benefits.
2. Monthly income for at least four years, if death occurs within four years prior to the terminal date.
3. Annual dividends which may be

used to reduce the premiums or allowed to accumulate at interest.

4. Privilege of applying the premium, through use of the conversion option, to various life or endowment forms, without question of insurability if the change is made at least ten years before the terminal date.

It is a form of term insurance, and has no cash or loan values. It does not supplant the protection of other life insurance policy forms.

Maxwell of Bryan, Dr. W. E. Thornton, second vice-president and medical director; J. J. Klingenberg, agency secretary, and Mr. Swift.

After a service of 18 years with the Newark agency of Mutual Life, Mrs. C. Mae Schwind retired Oct. 1. She was presented a portable radio and tendered a luncheon by the entire office and agency staff. She has served as private secretary to four managers of the Newark agency.

Merrill F. Gerkin, Fredonia, Kan., was guest of honor at the monthly "leaders meeting" of Equitable Society in Wichita, being the guest of District Agent Lee Wandling as leader in earned commission for the preceding month. Each month the leader is so honored.

A "fishing jamboree" at Lake Andrusia rewarded winners of a contest just completed by the Sig Bjornson agency of North American Life & Casualty, Grand Forks, N. D. Bert Odell, vice-president of North American, represented the home office.

W. T. Murphy, manager of Southland Life at Houston, won the president's trophy for August, it being the second time this year that his agency has won this trophy. Mr. Murphy has been in charge of the agency for about a year and is making a splendid record.

• Life • Accident • Health • Annuities • Hospitalization • Group • All-Ways

Defending American Families

FOR THIRTY-TWO YEARS

1909-1941

Aid in the National Defense is not a new role for the Business Men's Assurance Company. Ever since the company was organized in June, 1909, it has been defending American Families against loss of income resulting from accident, sickness or death. In times of NATIONAL EMERGENCY a secure family is the backbone of National morale. B. M. A. has made an important contribution to family security in the payment of nearly \$50,000,000.00 to policyowners and beneficiaries since organization.



Business Men's Assurance Company

KANSAS CITY, MISSOURI

W. T. GRANT
President

J. C. HIGDON
Vice-Pres. in Charge of Sales

Every Debit Man Should Read Industrial Salesman

Every debit man should read *The Industrial Salesman* regularly. Published monthly, it costs only \$1.25 a year and contains a wealth of material of help to the industrial man, especially in showing him how he can write more ordinary business. A special subscription card is included in this issue for new subscriptions. Use it or hand it to an agent who will benefit from its stimulating sales help.

NEWS OF LIFE ASSOCIATIONS

Detroit Committee Heads Tell Plans for Year

DETROIT—Presiding over his first meeting of the new administrative year, Jay L. Lee, Phoenix Mutual, president Qualified Life Underwriters of Detroit, presented 26 speakers on association plans and business in 45 minutes.

S. W. Ryan, Penn Mutual, national committeeman, gave his impressions of the national convention, stressing the trend toward pensions for agents and readjustments in agents' compensation. Mrs. Florentine Heath, Mutual Life of New York, chairman of the new women's division, outlined its organization. Miss Betty Souderike, New England Mutual \$250,000 producer, told of women's activities at the convention.

Alberta Stutsman, manager women's department G. E. Lackey agency Massachusetts Mutual, also gave her convention impressions and outlined publicity plans for C.L.U. Ann Bryan, newly appointed executive secretary, was introduced and P. W. Wolf, Manufacturers Life, chairman of the new supervisors' division, outlined its plans and introduced other officers.

Tell Advisory Council Plans

Mr. Lee explained the organization of the new advisory council, to act as a liaison group between the various agencies and the organization, and introduced the chairman, vice-chairman and secretary.

Next he conducted a directors' meeting for the benefit of the members, with the entire directorate seated on the rostrum. C. J. Manion, Equitable Society, reported on the National convention as he saw it. L. E. Malone, Sun Life, chairman membership committee, reported 422 active members and announced a goal of twice that number by the end of the year. E. J. Dore, chairman program committee, outlined speakers to come and F. E. Pomeroy, New England Mutual, gave the secretary's report.

W. A. Post, Connecticut General, reported for the business practices committee and C. A. Macauley, John Hancock, for the legislative and by-laws committee. He paid tribute to H. B. Thompson, the state association's secretary-counsel, who spoke briefly.

Walter Swzed, Prudential, reported for the educational committee; J. C. Cooper, North American, meetings and attendance, and E. P. Balkema, Northwestern National, public relations.

H. N. Phillips, Sun Life president C.L.U. chapter, introduced G. E. Lackey, Massachusetts Mutual, new vice-president of the American Society of C.L.U., who presented diplomas to four of the five Detroit qualifiers.

Southeast Kansas Congress Speakers Are Announced

Program for the southeast Kansas sales congress Oct. 22-23 at Hotel Dale, Coffeyville, has been announced by C. O. Braden of Independence, program chairman. Speakers include John Witherspoon, president N. A. L. U.; Tom B. Reed, Oklahoma City, National Trustee; Kenneth McFarland, Coffeyville and Rev. Fred W. Condit, Parsons, Kan.

General agents and managers are to gather the evening of Oct. 22 for their seminar. Speakers will include J. Hawley Wilson, Massachusetts Mutual, Oklahoma City; A. M. Embry, Equitable Society, Kansas City; Herbert A. Hedges, Equitable of Iowa, Kansas City, N. A. L. U. secretary; Harry Lucas, Kansas City and two others yet to be announced.

Associations of southeast Kansas will be joined by neighboring groups in Missouri, Arkansas and Oklahoma as usual for this gathering. The officers and directors of the Kansas association will attend. W. T. Newkirk, Independence, is general chairman.

K. C. Group Outlines Plans for Promoting Bond Sales

KANSAS CITY—More than 400 from Kansas City and its area attended the "kick-off" meeting of the Life Underwriters Association here. Featured speakers were Carroll C. Day, Pacific Mutual, Oklahoma City, and Bert A. Hedges, Business Men's Assurance, Wichita, Kan., with W. L. Butler, Business Men's Assurance, president, in charge.

Dallas A. Alderman, vice-president Kansas City Life and chairman of the local committee for defense bond sales, spoke. Others who discussed this subject were Robert B. Caldwell, chairman of the board of the tenth Federal Reserve Bank; Mayor Gage of Kansas City and Herbert A. Hedges, general agent Equitable Life of Iowa at Kansas City and secretary of the National Association of Life Underwriters. The opportunity to promote defense financing is a "natural" for a life underwriter, Mr. Hedges said. Also, selling bonds is a fine way to prospect.

The association's defense financing organization is enrolling volunteers, and will shortly offer its services to the general Kansas City defense bond campaign committee.

Advance Okla. State Meeting

The meeting of life underwriters called for Oct. 8 at Stillwater, Okla., to discuss the advisability of organizing a state association in Oklahoma has been advanced to Oct. 6. Representatives will be present from Oklahoma City, Tulsa, Enid, Muskogee and Stillwater, according to M. R. Burnham, who is one of the leaders in the movement.

Minneapolis—The program for the year has been announced. Speakers at the monthly meetings will be: October, Bert C. Nelson, Northwestern Mutual, Milwaukee; November, Paul Dunnagan, Canada Life; Paul Dobson, Northwestern National, and Francis R. Olson, all of Minneapolis; December, Louis Behr, Equitable Society, and John O. Todd, H. S. Vail & Sons, both of Chicago; January, local leaders round table clinic; February, John D. Moynahan, Metropolitan, Chicago; March, oldtimers meeting led by J. Walker Godwin, Northwestern Mutual, Minneapolis, dean of Minneapolis life men; April, John Marshall Holcombe, Sales Research Bureau; May, H. Kennedy Nickell, Connecticut General, Chicago; June, all-day meeting and golf tournament.

Cleveland—Four of Cleveland's outstanding agents will address the meeting Oct. 9. James P. Syme, Metropolitan, will discuss "Production of Ordinary Insurance on an Industrial Basis"; Max Matusoff, Mutual Benefit, "Business In-

Oct. 2 Is "N Day" in Kansas Bond Drive

Oct. 2 was "Kansas N Day," the state having been well organized in advance for the drive to sell Defense Savings Bonds and "ready to go" under the direction of State Chairman Lee Wandling, Equitable Society, Wichita, president Wichita Life Underwriters Association. Over 600 life men of the state volunteered for the drive under the direction of the 11 local associations, divided into four districts headed by Frank Bixby, Hutchinson; W. A. Barton, Topeka; C. O. Braden, Independence, and Leo R. Porter, Wichita. Life men residing outside of association towns were recruited by the closest associations and given their assignments. The campaigns of each association started with a breakfast meeting Thursday morning.

surance and Why They Buy"; Frank McFarlane, Aetna Life, "Self-organization," and Russell Kriss, Guardian Life, "Twenty Years of Consecutive Weekly Production."

The women's division meets Oct. 3. Helen B. Rockwell, National Life of Vermont, and Ethel M. Wood, Equitable Life of Iowa, will report on outstanding events at the National association convention.

Ogden, Utah—K. W. Cring, Pacific National Life, has been elected president, succeeding E. F. Green, Equitable Society. Vice-president is C. W. Healy, Metropolitan; secretary-treasurer, O. E. Baird, Beneficial Life.

Winnipeg—E. G. Cass, Excelsior Life, has been elected president, succeeding J. A. MacPhail, Imperial Life. Vice-president is C. E. Flook, Great-West Life; treasurer, L. E. Wood, Western Life; secretary, R. F. Aker, Great-West Life.

Los Angeles—Directors at a conference meeting with J. R. Richards, chairman of the Defense Savings Committee for southern California, enthusiastically pledged their cooperation with the Treasury and the state committee of life insurance men, headed by Kellogg Van Winkle, Equitable Society, handling the sale of defense bonds in California.

The entire plan of defense bond selling was gone into, with particular attention to the payroll deduction plan.

Columbus, O.—Gilbert Moody was in charge of the program at the first fall meet Wednesday. J. W. Ray, Travelers, spoke on the advantages of belonging to a life underwriters association and tribute was paid to Ralph W. Hoyer, John Hancock, Columbus, who has been elected a trustee of the National association.

Ames, Ia.—A. H. Pickford, Des Moines general agent Provident Mutual Life, spoke on "Let's Look at Life," basing his points on statistical facts and telling of his experiences which substantiated his convictions that the institution of life insurance provides the only possible way for a man to deal with adversity in his family's economic planning.

Dubuque, Ia.—W. E. Maupin, Cedar Rapids manager of Business Men's Assurance, spoke on "Optimism for Future Life Underwriters."

"Indecision is the fatal mistake of those who fail," he declared, adding that optimism is a faith. He listed these eight factors which he said are essential for success: Courage, self-control, sense of justice, definite plans, pleasing personality, sympathy and understanding, mastery of detail and willingness to assume full understanding.

The association discussed the possibility of inviting the Iowa association to hold its 1942 convention in Dubuque.

Ontario—Six U. S. speakers will address the annual meeting in Toronto Oct. 18: Albert E. N. Gray, assistant secretary Prudential, "The Common Denominator of Success"; Lawrence E. Simon, Massachusetts Mutual, New York, "Sales Ideas That Are Working"; Charles J. Zimmerman, Connecticut Mutual, Chicago, "Decision to Action"; Isaac S. Kibrick, New York Life, Boston, "Motivation, Where Does It Come From?"; Frank L. McFarlane, Aetna Life, Cleveland, "Substantial Production Through Client Building"; and Holgar Johnson, president Institute of Life Insurance, "Influence of Public Attitude."

Richmond, Va.—At the first fall luncheon-meeting H. W. Vaden, Guardian Life, and H. R. Hill, Life of Virginia, reported on the national convention in Cincinnati. Plans for a 10-week study course were announced by Mr. Vaden, chairman of the committee on education. It will be conducted at the evening school of the University of Richmond. He said at least 20 applications for the course would be necessary in order to organize classes.

Manhattan, Kan.—The annual "ladies' night" will be held Oct. 4. Speaker will be Keith Hayes, Hutchinson district manager of Mutual Life, on "Fifth Columnists in Life Insurance."

Would Liquidate Toledo Societies

The Ohio department has filed suit in the common pleas court of Franklin county to compel the Allied Christian Army of the World, Utopian Endowment Fund Society and American Adult-Youth Foundation, all of Toledo, to show cause why they should not be taken over for liquidation. It is alleged they are operating in violation of the insurance laws of the state.

MANAGERS

"I Don't Want Cripples" Is Dern's Theme in Detroit

DETROIT—Taking as his theme, "I Don't Want Cripples," A. L. Dern, vice-president of Lincoln National Life in charge of agencies, talked on "The General Agent and His Job" at the first fall meeting of the Associated Life General Agents & Managers of Detroit following a golf tournament. S. W. Ryan, general agent Penn Mutual, presided.

Developing the theme that every man in an agency should be an active producer, Mr. Dern said the general agent's job can be summed up adequately by words beginning with the first letter of each word in "I Don't Want Cripples." "I" stands for instruction, "D" for demonstration, "W" for watching, "C" for checking.

Thus the general agent must see that his men have complete instruction in all phases of the business, so that they are efficient and capable in their duties. Instruction is not alone for the novice, but must be continued eternally with the older and more experienced men, he pointed out.

Show How Interview Is Conducted

By demonstration he means the vitally necessary showing of the agents how the interview should be conducted in the field. Rehearsing a sales presentation in the office has its points but cannot take the place of actual demonstration in the presence of a bona fide prospect, he declared.

Watching refers to the vigilance that the general agent must use to make sure that his men keep up to their efficiency peak at all times and never get "rusty" or slothful in their work habits. Checking refers to the necessity for supervision of all of the office activities and operations.

It is probable that about 20 percent of the general agent's time should be devoted to instruction, 50 to 60 percent to demonstration in the field, 10 percent to watching and the remainder to checking, he said.

The president and other members paid tribute to the work done for the association for Glen Reem, Guardian Life, treasurer this year, who has been transferred to the Rochester, N. Y. agency of his company. A resolution was adopted outlining Mr. Reem's accomplishments for the organization. Copies are to be sent to the managers and underwriters associations in Rochester and to the New York state association. He was presented a farewell gift from his friends in the managerial field in Detroit.

Simon Conducts Business School

About 300 attended the school of business life insurance conducted in San Francisco by Leon Gilbert Simon, Equitable Society, New York, under the auspices of the San Francisco General Agents & Managers Association.

Hear Better Business Bureau Man

George M. Husser, manager of the Better Business Bureau of Kansas City, was the scheduled speaker at the meeting Sept. 30 of the General Agents & Managers Association of Kansas City, on the cooperation rendered by the bureau to the life insurance business.

New Life Insurance Book

The "Weekly Underwriter," 80 Maiden Lane, New York, has issued a book called "The Life Insurance Educator." It contains a series of chapters on life, accident and health insurance, personal and group. Each chapter is contributed by a man experienced in his special field and selected for his fitness to cover his particular assignment. It is a book that is valuable to the producer and underwriter. Cost \$2.

"Ad" Men Seek to Sharpen Use of Sales Literature

(CONTINUED FROM PAGE 1)

combe, manager Sales Research Bureau, and Holgar J. Johnson, president Institute of Life Insurance, in addition to L. A. A. members representing companies of all sizes, locations, and with every kind of an advertising problem.

Lewis B. Hendershot, Berkshire, general chairman of this year's meeting, presided at the session Monday. He began it informally by having each person in the room rise, give his name and company connection. L. A. A.'s popular president, C. Sumner ("Suds") Davis, Provident Mutual, expressed a few words of welcome. James A. Peirce, John Hancock, chairman of the entertainment committee, outlined the various diversions his committee had arranged. Mr. Hendershot said the convention's theme was "Designed to Help Salesmen Sell," and that the big job of most advertising managers is to sell the field force on the use of the material they produce.

Mr. Hendershot was responsible for persuading Cy Norton, manager of sales promotion for Strathmore Paper Co., to appear as a speaker. Mr. Norton, who spoke on "How to Get the Field to Use Sales Helps," said that most advertising material is about 50 percent effective in itself, and so the advertising manager is only doing a 50 percent job unless he gets the sales force to use what he produces. He said too many salesmen carry little more than a price book.

He gave five rules for getting salesmen to use advertising material: (1) Dramatize the sales helps; (2) When a new folder, booklet or pamphlet is issued, tell how to use it; (3) Tell how others use it; (4) Quote results; (5) Keep everlastingly at it.

"Advertising," said Mr. Norton, "is nothing but printed selling." While speaking he exhibited many charts and graphs to emphasize his points.

An effective interlude was provided by Bart Leiper, Provident Life & Accident, in his reading of the recently published credo of John D. Rockefeller.

Trends in Sales Promotion

Versatile, quick witted, and exhibiting a keen sense of humor, Powell Stamper, sales promotion manager National Life & Accident, gave an impressive talk on "Trends in Sales Promotion," some of the high points of which were:

"We must use sales promotion to sell sales promotion."

"There is no shortage in production in the idea factories of life insurance."

"If we have a weakness anywhere; it is in following through. Development of the material is but part of the job. There are two parts—selling it to the field the first time, and then keeping it sold for as long as it has a purpose to perform."

Mr. Stamper sent a questionnaire to L. A. A. members some months ago. He quoted several answers to show how companies, large and small, and in all parts of the country are selling sales promotion material to their agents, and keeping it sold.

After the annual and executive business session Holgar J. Johnson, president Institute of Life Insurance, gave the final talk of the day. He spoke on "Working Together Toward Better Relations With the Public." In addition to his prepared talk, he told of some of the Institute's plans for the coming year. A complete public relations survey will be made. The statistical and research departments will be developed. There will be a study of dependency.

The public attitude toward life insurance, Mr. Johnson said, depends upon life insurance performance and "the public getting adequate information on what we do, and how we do it. The public is much more interested in the benefits it gets than in how big we are. In my opinion, the time has come when the words 'life insurance' create

reader interest, because 65 million people own it, and are interested in it. Don't be afraid to use those two words."

EXHIBITS WINNERS

Connecticut Mutual Life was the sweepstakes winner in this year's competition of exhibits at the L. A. A.



W. L. CAMP

meeting in Boston. The exhibits judges were: Henry M. Faser, Jr., Penn Mutual general agent in Boston; E. Graham Bates, Massachusetts Mutual, Blackmar agency, Boston; J. W. Daniels, manager life department, Wood, Keyes & Co., Boston; A. Otis Shurrocks, supervisor Berkshire Life's Boireau agency, Boston, and Ward Phelps and Richard Ford, Sales Research Bureau. W. L. Camp, of Connecticut Mutual was exhibits chairman.

No company was permitted to exhibit in more than four classifications. A complete list of winners in the various classes is subjoined:

Material for the motivation of agents, group 1, Provident Life & Accident; group 2, Business Men's Assurance, Excelsior Life and Midland Mutual; group 3, Berkshire Life, California-Western States and Northwestern National, and group 4, Connecticut Mutual, John Hancock Mutual and Massachusetts Mutual.

Prospecting and preapproach material, group 1, Occidental Life and Girard Life; group 2, Atlantic Life, Excelsior Life and Midland Mutual; group 3, California-Western States, Dominion Life of Canada and Great Southern Life, and group 4, Acacia Mutual, Connecticut General and Provident Mutual.

Prestige and Goodwill

Prestige and goodwill builders, group 1, Girard Life, Monarch Life and Presbyterian Ministers Fund; group 2, Pilot Life, Shenandoah Life and Washington National; group 3, American United, Continental Assurance and Life of Virginia, and group 4, Connecticut Mutual, Lincoln National and Provident Mutual. Sales presentation material, group 1, Republic National and United States Life; group 2, Atlantic Life, Excelsior Life and West Coast Life; group 3, California-Western States, Dominion Life and Fidelity Mutual, and group 4, Equitable Life of Iowa, Lincoln National and National Life of Vermont.

Publication to agents, group 1, Monarch Life, National Life of Canada and United States Life; group 2, Bankers Life of Nebraska, Business Men's, and Midland Mutual; group 3, Berkshire Life, Franklin Life and Great Southern, and group 4, Mutual Benefit Life, New England Mutual and New York Life.

Policyholders relations, group 1, National Life of Toronto, Monarch Life and Sun Life of Baltimore; group 2, Guarantee Mutual, Northern Life and Union Mutual Life; group 3, Dominion Life, Imperial Life, and Northwestern National, and group 4, Connecticut Mutual, Equitable of Iowa and Home Life of New York.

Insurance Journal Advertising

Insurance journal advertising, group 1, Girard Life, Provident Life & Accident and Republic National; group 2, Business Men's Assurance, Guarantee Mutual, and Northern Life; group 3, Berkshire Life, National Life & Accident and Northwestern National, and group 4, John Hancock, Lincoln National and Provident Mutual.

Magazine advertising, group 1, none; group 2, none; group 3, Life of Virginia, and group 4, John Hancock, Northwestern Mutual and Travelers.

Newspaper advertising, group 1, National Life of Toronto; group 2, Bankers Life of Nebraska; group 3, Confederation Life, Imperial Life, and Southwestern Life, and group 4, Great-West Life, Jefferson Standard and Sun Life of Canada.

Sweepstakes winner, group 1, Monarch Life; group 2, Excelsior Life; group 3, Northwestern National, and group 4, Connecticut Mutual.

Various trends in life insurance were discussed by three of the speakers at the Tuesday morning session. General Chairman L. B. Hendershot, Berkshire,

was again in charge. Jack R. Morris, Business Men's Assurance, opened the session with his talk on "Trends in Humanizing Premium Notices and Receipts." Some weeks ago Mr. Morris sent a questionnaire to L.A.A. members. He said that the replies revealed that 80 percent of those questioned stated that they have changed or will change their premium notices. He said that the theme song of all insurance advertising has become "Let's Be Human." He remarked that life companies mail annually 600 million premium notices. Almost 100 percent of the companies queried by Mr. Morris have a conservation or selling message in their notices. Mr. Morris predicted that more companies would include such messages in the future, and would also design more enclosures to go with receipts.

Amthor and Hill Speak

F. R. Amthor, supervisor of agents training Equitable Society, discussed "The Trend in Selling Life Insurance," and "Trends in House Organs" were commented on by John Hill, New England Mutual. Mr. Amthor said that the widespread and increasing desire for financial security which came as an aftermath of the recent depression altered life insurance selling technique and showed how. Mr. Hill accompanied his talk with pictures of numerous company house organs, showing them as they appeared some years ago and today.

The featured speaker Tuesday was John Marshall Holcombe. His topic was "The Part That Sales Promotion Plays in Morale Building." He said one of the objectives of the members of the L.A.A. is to foster a better understanding of and greater good will

ORGANIZED



IN 1845

THE MUTUAL BENEFIT PRESENTS

Our Newest C. L. U.'s

At the Annual Conferment by the American College of Life Underwriters, the C. L. U. designation was awarded to

SOLOMON HUBER
New York, N. Y.

HARVEY G. KEMP
Oklahoma City, Okla.

WILLIAM E. HUGHES
Springfield, Mass.

CLARENCE OSHIN
New York, N. Y.

W. THOMAS THACH
Oklahoma City, Okla.

Seventy-three members of our organization have now passed all five examinations, and sixty-nine have received their C. L. U. designation. We are proud of our C. L. U.'s.

The Mutual Benefit LIFE INSURANCE COMPANY

NEWARK, N. J.

toward life insurance. To the public, the agent is the company, and the home office, as well as the agency manager must build agency morale. Mr. Holcombe said that the agent whose morale is low is asking, "Recognize me personally with mention in your publications, personal letters, trips to the field. In whatever you say or write to me, be specific. Make it apply to me. From the home office, I want a feeling of sincerity, and a sense of security and stability."

Tuesday afternoon was devoted to a review of the exhibits. W. L. Camp, Connecticut Mutual, chairman of the exhibits committee said that the exhibits feature of this year's meeting had broken all records with 72 companies entered, and 208 boards on display. Serving on the committee with Mr. Camp, and each in charge of a separate group, were Richard A. Rhodebeck, United States Life; E. S. Wescott, Bankers of Nebraska; D. J. Wellenkamp, Washington National, and R. B. Helser, Home Life of New York.

The annual banquet and dinner dance took place Tuesday evening.

Four Presidents Honor Guests

Four life company presidents were guests of honor at the farewell luncheon, they being John M. Powell, Loyal Protective; F. P. Sears, Columbian National; M. Albert Linton, Provident Mutual, and R. E. Irish, Union Mutual. George A. Adsit, Girard Life, presented a report as chairman of the resolutions committee.

Most of the final session Wednesday morning was devoted to a consideration of trends in direct mail advertising. Seneca M. Gamble, Massachusetts Mutual, who has specialized in direct mail and conservation work for years read an interesting paper.

Several of his conclusions and observations were discussed by a panel of speakers who followed him, consisting of A. Scott Anderson, Equitable of Iowa; B. N. Mills, Bankers of Iowa; L. J. Evans, Northwestern Mutual; A. F. Randolph, Penn Mutual; R. G. Berger, Connecticut Mutual, and M. S. Crockett, Excelsior.

Julian Watkins, vice-president of H. B. Humphrey Co., Boston, spoke on "Copy." One of the outstanding features of the convention came at this session in the form of the absorbing talk "Life Insurance and the Threat of Inflation" given by M. Albert Linton, president Provident Mutual.

At the farewell luncheon Wednesday the announcement of the exhibits winners was made and W. L. Camp, Connecticut Mutual, was presented with L. A. A. plaque as the sweepstakes winner.

The resolutions committee reported and A. Scott Anderson was officially installed as president.

L. A. A. NOTES

R. E. Irish, president of Union Mutual Life, attended the sessions. During the past year he has set up a full fledged advertising department, and engaged an advertising agency.

A luncheon for the members of the Southern Round Table was given Tuesday by William Sexton, Great Southern Life. Mr. Sexton was host to 10 knights.

Harry V. Wade, Standard, Ind., new treasurer of L. A. A., hurried back to Indianapolis at the end of the first day. He is chairman of a fund raising campaign for the Civic Theatre of Indianapolis, and the drive is on this week.

Carroll Frey, Penn Mutual, suffered a painful injury Sunday night when a flash bulb in his camera exploded, burning his right hand severely. Serving as chairman of the press committee, Mr. Frey left nothing to be desired.

From Boston, A. Scott Anderson, Equitable of Iowa and newly elected L. A. A. president, went to Quebec, where his company will probably hold its 1943 agency convention.

Ray Parker, of the New York advertising agency of Parker-Allston, was among familiar scenes in Boston. He

New Utah Commissioner Is Prominent Attorney

Oscar W. Carlson, newly appointed insurance commissioner of Utah, is an attorney who has

held a number of public positions, such as member of the board of education in Salt Lake county, county commissioner for Salt Lake, and member of the board of Regents of the University of Utah. His appointment was made by the business regulation commission which is charged under the new law with the supervision of the state insurance department and he serves "at the pleasure of the commission." Commissioner Carlson is the republican member of the commission and was appointed by the democratic governor for a term of two years.



Oscar W. Carlson

was formerly a field man for a fire company, with headquarters in the Hub City.

There was a registration fee of \$5, plus a fee of \$5 to cover the entertainment features.

Margaret A. Divver, John Hancock, was head of the ladies entertainment committee.

The entertainment features on Monday were a sightseeing trip to Lexington and Concord in the afternoon, and an informal cocktail party in the evening.

The convention committee were all appreciative of the cooperation of John Hancock. Its mimeograph department produced copies of the speeches and Clifford Follansbee of the publicity department acted as convention photographer.

Robert G. Richards of Livermore & Knight, Providence advertising agency, shook hands with numerous friends. For many years, Mr. Richards was advertising manager of Atlantic Life, and one of the dependables of the Southern Round Table.

There is so much of an historical interest in and about Boston that the ladies in attendance voted to cancel the bridge and tea scheduled for Tuesday afternoon in favor of sightseeing.

Carroll Frey of Penn Mutual made an interesting survey of the hobbies of L.A.A. members.

Bart Leiper, Provident Life & Accident, does highly creditable etchings, and engages in amateur dramatics. Lewis B. Hendershot, Berkshire Life, maintains a workshop at home, wherein he goes in for handicrafts, weaving, metalry, leather embossing. Carleton C. Loeble, Presbyterian Ministers Fund, is a garden enthusiast of such skill that he has been able to develop a green rose. Paul Troth, Home Life, is a cartoonist of professional talent. So is Jack R. Morris, Business Men's Assurance.

Charles C. Fleming, of Life of Virginia, is an expert on the uses of fine typefaces, a typographer, as well as a collector of books. Harvey L. Kesmodel, Jr., Sun Life of Baltimore, has model railroads and model boats for a hobby. Martha Cotton, Commonwealth Life, is interested in little theater work; so is J. P. Ferguson, London Life. Frank Price, Prudential, likes to write song lyrics.

Thomas J. Hammer, Protective Life, raises milk goats and roses. Leonard C. Kiesling, Continental American, and A. W. Tompkins, State Farm, have farms for fun. Robert S. Walstrom, Continental Assurance, breeds Doberman Pinscher dogs. Harry V. Wade, Standard Life of Indiana, carves model ships. John H. Warner, Aetna Life, has "a mild indulgence in astronomy." Eula M. Enochs, American United, has a collection of pitchers.

D. J. Wellenkamp, Washington National, is a bookplate collector. Cliff Mayfield, Fidelity Mutual, a student of postal history, is a collector of such material as illustrates the progress of the mails. Philately engages a wide attention, including that of Jackson Maloney, Philadelphia Life; B. N. Mills, Bankers

(CONTINUED ON PAGE 25)



THE CALL TO ARMS

With war clouds hanging heavy over a great portion of the world, a million and a half Americans have answered the call to arms in defense of our country. Industry, manufacturing interests, farmers are also mobilized for National Defense.

Here in America there is a second line of defense—a line made stronger day by day by men and women, in plain tailored clothes, quietly going about their business of building up an impenetrable defense against death and poverty—The Life Underwriters, busy men and women, making their contribution to the lasting defense of their fellow men.

If you are interested in becoming a soldier of this second line of defense, you will find it pays to be friendly with

PEOPLES LIFE INSURANCE CO.

FRANKFORT

"The Friendly Company"

INDIANA



- A liberal commission contract. Practical and efficient field help by experienced Home Office Agency men.
- A new streamlined Sales Manual recognized by our Field Force as one of the best ever edited. Evidence our new paid business far in excess of previous year's record.
- Low non-participating rates and a wide diversity of policy plans. Issues from 0 to 65, inclusive. Also issues on sub-standard risks.
- A progressive Southern Company serving the people of the South through Branch Offices operated on either Managerial or General Agency basis.

Volunteer State Life Insurance Co.

Chattanooga, Tennessee

"A SOUTHERN COMPANY OF CHARACTER"

Cecil Woods,
President

Howard Blanton,
Agency Vice-Pres.

Insurance Legal Group Holds Forth

(CONTINUED FROM PAGE 2)

tense of the United States," Mr. Foley declared.

Mr. Foley invited those present to submit questions to his department which they would welcome as they are preparing to issue an explanatory pamphlet shortly and want to cover all possible points relating to the freezing of funds by the government.

Frank J. Viehmann, insurance commissioner of Indiana, in welcoming the Insurance Section, referred to the common interest that exists between the administration of the insurance law of a state and the state's legal department. He said that he values the spirit of cooperation accorded his department by the legal representatives of insurance companies.

Howard G. Spencer, Rochester, N. Y., who presided as chairman of the meeting, responded to Commissioner Viehmann's words of welcome.

The report of the secretary was given by C. F. Robinson, Portland, Me. Other committee reports were that on membership, made by the chairman, Herbert L. Bloom, Chicago; lay insurance adjusters, read by a member of the committee in the absence of the chairman, E. S. Gambrell, Atlanta; unauthorized insurance companies, Henry S. Moser, Chicago; fraternal insurance law, Herman L. Ekern, Chicago; qualification and regulation of insurance companies, George W. Goble, Urbana, Ill.; to confer with National Association of Insurance Commissioners, Hervey J. Drake, New York; and publications, Lionel P. Kristeller, Newark, N. J.

The program for Tuesday was cut up into round table meetings, six being held in the morning and four in the afternoon. The six morning sessions were handled as two groups of three each.

Eugene Quay, Chicago, occupied the chair at the round table where insurance practice and procedure was discussed. Howard L. Smith, Tulsa, made a talk on "Practical Applications of Certain of the New Federal Rules."

J. G. WOOD PAPER

J. G. Wood, Indianapolis, pointed out that policies required to be used by statute or by order of insurance supervising authorities should not be subject to the historic rule that insurance contracts are construed most strongly against the insurer and in favor of the insured. The rule, he said, is based upon the old legal theory that when any written document is involved, the party who wrote it is assumed to have been looking out for his own interests, so the other party to the contract should get the benefit of the doubt. No rule has been more thoroughly written into insurance law than this, and for this reason Mr. Wood said, many courts have been slow to recognize that an insurance company has no choice in the language of a statutory policy and hence should not be subject to this rule under such circumstances.

Although several text book writers and some courts take the position that the "contra proferentem" rule should apply even to statutory policies, on the theory that the language was originally suggested by underwriters, Mr. Wood denied that this is a fact and said that the courts are slowly coming to the other viewpoint. He urged insurance lawyers to call this consideration to the attention of the courts wherever this point is involved and do their best to persuade courts to follow the current trend. He cited cases in Illinois, Indiana, Wisconsin, Massachusetts, New Jersey, Louisiana, Rhode Island and Michigan as following the rule he suggested, while there are Pennsylvania, Maine, North Dakota, North Carolina, Texas, California, Iowa and Missouri cases holding that statutory policies are subject to the old rule. Minnesota, New

York and federal courts have held both ways, although the recent important federal case of Funk vs. Aetna Life, which originated in California, held that the old rule should not apply to statutory policies.

At the round table on life insurance law, Ralph H. Kastner, associate general counsel American Life Convention, presided.

Companies should look with alarm upon the tendency of the courts to preclude the company from contesting a reinstatement after accepting the reinstatement application. In attempting to point out a method by which the companies could preserve the right to contest a reinstatement, Tom Leeming of Eckert & Peterson, Chicago, stated that he thought it might be possible for two forms of application for reinstatement to be used.

One form would forego the company's right to demand a physical examination of the insured, and the other would be the standard form now used. By using the former, it might be that the courts would hold that a sufficient consideration had passed from the company to the insured that the company's right to rely upon the insured's misrepresentations would be upheld. Such a form could be used in all cases except where the lapse was of long standing, or some impairment of health was suspected.

Effect of "Sound Health" Provision

Mr. Leeming pointed out that most of the courts have held that the "sound health" provision contained in the printed portion of the policy could not be relied upon in contesting the reinstatement.

Stanley T. Wallbank of Denver closed the round table by a brief discussion of the important life decisions of 1941. Only three cases were mentioned. They were Metropolitan Life vs. McDavid (United States District Court for Eastern District of Michigan), a manslaughter case in which the beneficiary attempted to recover double indemnity after she had shot the insured. The second was that of New York Life vs. Cassidy in which the circuit court of appeals for eastern district of Missouri held that if the court hearing the case was convinced that there was no persuasive data leading the court to the conclusion that the court of last resort would have held differently, it would not be necessary for the court to base its opinion upon statute or a decision of court of last resort.

In conclusion, Mr. Wallbank cited the case of Griffin vs. McCoach, involving the right of assignees of a life policy to recover where they had no insurable interest. The contract was admittedly a New York contract, and the insured lived in Texas and the suit was brought there. Mr. Wallbank stated that the decision in this case writes into case law that regardless of the validity of the contract in the state where it is written, if such a diversion case is brought in Texas where insurable interest must continue at the time of the insured's death, the doctrine of public policy is going to over-ride the other accepted doctrines and is going to deny recovery on the part of the beneficiary whose interest has not continued.

Farmers Are Now Far More Prosperous

In many sections of the country farmers are paying off their notes at banks because they are getting higher prices for farm products and money is much easier. Agents are taking advantage of the situation and find that farmers are in the market for life insurance if it can be shown it is to their advantage to purchase it. Their buying power is considerably improved.

NOW IN OUR 75th YEAR

A milestone at which we are grateful for the steadfast confidence and good will that mark day-by-day relations between policyholders, field force and home office staff.

An anniversary in which we are striving to be worthy of continued leadership as one of America's oldest and strongest life insurance companies.



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HOME OFFICE • DES MOINES

COUNTRY LIFE INSURANCE COMPANY

"Outstanding in Every Respect"

HOME OFFICE • CHICAGO, ILLINOIS

Role of Selection Men More Important

(CONTINUED FROM PAGE 3)

much, discounting assessment and counting group coverage at face value.

If the father doesn't carry twice as much, some underwriters refer the matter back to the agency department to find out why, since the companies are using juvenile as a door opener, the agent has not secured more insurance on the parent. With insurance on wives, all but one company indicated they will not grant more insurance than the husband carries.

College Students in Summer Work

With respect to college students who engage in hazardous occupations during summer vacations most of the companies rate the applicant according to the summer work. A dozen companies "table rate" such applicants, 12 charge an extra premium, if such students engage in hazardous occupations during vacation. No refund would be made of the extra premium at the end of the college period if occupation then becomes standard.

The forms committee under R. H. Anderson, Liberty National, Birmingham, prepared portfolios of underwriting practices and forms, each member for his own company. These were on exhibit and were closely studied. They are the property of the institute and can be borrowed for study by members at any time. Next year the committee's members will do the same thing so that the library will grow and become more valuable. Among companies with portfolios this year were Southland Life, Liberty National, Security Life & Accident, Bankers Health & Life, U. S. Life, Life & Casualty, Old Line Life, American National and Gulf Life.

Discuss Dr. Mackay's Paper

The paper of Dr. R. P. Mackay, assistant professor of neurology, University of Illinois, on "The Neurotic Factor in Applicants for Life Insurance," was enthusiastically received and discussed at length. Dr. Mackay concluded that underwriters should be more careful in writing disability on neurotics, because they are always sick, but more liberal with life insurance because they live a long time. Dr. Harry W. Dingman, medical director Continental Assurance, suggested that underwriters on certain cases might get a neurological survey similar to a cardiological survey.

W. H. Harrison, Ohio National, reported for the reading list and educational committees. John L. Briggs, Southland Life, gave the membership report.

Many Ideas Obtained

A number of the ideas gained from membership in the Home Office Life Underwriters Association were detailed by W. H. Dallas, Aetna Life, for instance, agents underwriting record cards which will permit a test for the individual agent's lapse experience. This can be used to head off bad selection early in the agent's career. Another idea is personal financial statements on certain applicants. Mr. Dallas' company formerly accepted no business on persons in bankruptcy. However, recognizing the need of such persons for modest amounts of protection, it now issues such amounts.

The problem of credit insurance is frequently brought up nowadays. Agents believe companies should be liberal in their acceptance of life insurance to cover debts of an individual. However, Mr. Dallas pointed out that in some cases the amount could be speculative, particularly if the debt is too large in view of income and other factors.

A library for underwriters, including periodicals, association proceedings and agency literature put out by the company is helpful. Mr. Dallas also recommended that underwriters occasionally visit agencies whose business they handle. This does both agent and underwriters a lot of good.

For many years selection in the in-

dustrial field was not of material concern to company or underwriter, Dr. Albert S. Irving, American National, said. Changing conditions have made it necessary. Among the causes are competition due to the addition of extra benefits such as double indemnity, disability, eyesight and limb provisions, short period of time for non-forfeiture provisions to become effective, increasing acquisition costs, speculative tendencies, adverse court decisions, increased tax costs and a lower investment return. These changes are permanent and further ones will be in the direction of more liberalization of policies and not toward tightening the provisions or restoring the degree of company control which formerly existed, he said.

Since decreasing expenses and increased investment return are not going to be possible for any definite period, the responsibility is directly on the underwriter for strengthening the reserves and safety funds of companies. This means that in this field the underwriter is going to have to have more information and going to have to weigh it more carefully.

Speculation Increases

The big thing in the industrial field at the present time is the increase in the purchase of insurance for "speculative" purposes on small industrial risks, the round table and clinic revealed. Many persons are using the purchase of such insurance as they would play the numbers game. Sons and daughters are insuring parents, for instance, and underwriters are watching such cases closely.

Industrial companies are turning down applicants engaged in aeronautics. It was felt that this type of risk generally falls into a classification that should buy, not industrial, but ordinary.

Industrial underwriters were enthusiastic over the institute. They said more pioneering remains to be done on standardization of industrial underwriting practices than in the ordinary field. Heretofore, it has been difficult to compare practices with other companies because of wide variances in forms and procedure. Partly because of the help they have gotten from the institute these companies are getting more information than they used to, and are eliminating some of the high loss business.

GROUP BUSINESS

C. L. O'Brien, underwriting officer of the Minnesota Mutual, opened the last day's session with a talk on his company's plan of handling family group business and related some of the new underwriting problems. He acknowledged that it is still in the experimental stage as there is yet much to know. The maximum age is 55 for all insurable members of the immediate family. The company does not require all insurable members to come in but expects them. It demands an explanation as to why anyone is left out. It insists that the father carry as much insurance as any other member. It will issue a policy on a substandard rate if the father is not up to standard. Policies are issued either on ordinary life or 20-pay life forms. After a policy is issued other members of the family may be covered if insurable.

If a member of the family dies the policy continues with premium adjustment. The family cannot cancel anyone out but if it desires to incorporate the people into individual units and leave one out it can do so. It started this family plan in March, 1938, and has \$6,000,000 in force. Mr. O'Brien said that the family group policy helps new agents. They can return to some of the people in the group as prospects for individual policies. The company finds that the family group policy is about three-fourths the size of a normal policy. There is a high lapse ratio. It does not

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TWENTY-FIVE YEARS
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desire to cover the industrial ranks but some are issued in spite of the rule. It inquires whether the policy is to replace a policy already in force in some other company. Some agents, he said, feel that they can replace industrial policies by the family group and hence go after the business. The family group policy, he said, is popular in rural districts. The amounts usually are larger there than elsewhere.

Agents often protest against the delay in issuing the policy and that is quite a handicap but it is necessary to check up on all the members of the family. The expense ratio is higher on this business than regular policies. The inspection fee costs twice as much and, in fact, the entire handling of group policies

costs more than regular business. It is difficult, he said, to check the tendency to write industrial groups. Much of this family business is written on the monthly payment. Up to Jan. 1, 1940, the Minnesota Mutual had only 35 deaths. When an agent goes out he is relied on to give full information because it is a non-medical policy. The responsibility is really put up to the manager or general agent. The agents are usually trained and schooled on how and what to do. The average expense of the policy, he said, is from 10 to 15 percent higher than the regular form. The home office, he said, is still quite skeptical as to the value of this contract from the company standpoint and are giving it close study.

Discussion of Family Group Forms

H. L. Soll, assistant secretary Capitol Life of Denver, in discussing Mr. O'Brien's paper said that he would reduce the maximum age and probably the amounts. He called attention to the fact that resistance to disease is retarded after age 45 or 50 and this should be taken into consideration. He would require all insurable members of a family to be included. He thinks that in a number of cases a group family policy strikes a line of less resistance in production and the agent in pursuing it is liable to build up a class of business that would not be regarded as substantial.

In the discussion that followed it was brought out that the premium is the same in the combined policy as it would be if separate contracts were issued. If one of the family marries he remains as a part of the original family group. Each member can have an individual beneficiary and can change the beneficiary. If the father and mother are both non-insurable, a child over 21 is of age and can be made the applicant. If there is no such child then a policy could not be issued.

Emmett Russell, ordinary underwriter Life & Casualty of Nashville, gave some observations on the field man's point of view considered in home office selection. He said that really the agent makes the first selection. He should be trained as to what risks are most likely to be insurable. The home office naturally values the risk ultimately. He said that the home office is influenced by the field man's viewpoint if the agent is considered conscientious and intelligent in his work. The home office underwriter, he said, is not a machine. He is a human being and wants to pass all risks possible. He said the home office underwriter should know the field problems and the field man should know the procedure of the home office in putting a risk through. If there is any issue the case should be discussed with the field man. Mr. Russell said that his company held a school and one day was devoted entirely to underwriting. It was found that this lessened the complaint considerably. The home office underwriters, he said, should go into the field now and then, get acquainted with the field men individually and study their problems. If the home office thinks an agent has good judgment and he is honest, his word will have considerable influence. He said that where an inspec-

tion is challenged the company should have another and even a third made in order to satisfy the agent. After the home office proves the inspection is correct the agent will not question the report so readily thereafter.

Talks on Reinstatements

Extreme care is essential with respect to reinstatement because it is at this point that adverse selection can be made against the company, Carl M. Young, statistician for Farmers & Bankers Life, said. Individual consideration must be given each application for reinstatement. Farmers & Bankers did not remove the war clause following the world war, he said. Consequently if applicant for reinstatement has since the case was accepted enlisted, the company has been rating according to the occupational rating manual.

The details and routines of handling an application from its receipt until final disposition was described by Earl R. Monson, American Mutual Life. Primarily the underwriter's job is confined to selection of risks, he said, "which is a matter of appraising the hazard of dying with respect to the prospect of living where only one life is under immediate consideration." Selection begins with the agent, he said.

Brokerage Business

Walter O. Menge, associate actuary Lincoln National Life, reviewed "Blood Pressure Study, 1939," compiled and published jointly by the Actuarial Society of America and the Association of Life Insurance Medical Directors. It appeared in September, 1940, with a supplement just off the press. One of the things revealed by the study, in which more than 1,300,000 policies were studied, is that the higher percentage of extra mortality is encountered at ages at entry 30 to 39 and 40 to 49 and ages 50 and over for a given elevation in blood pressure. That an elevated blood pressure is more serious at younger ages has, of course, been recognized by the rating schedules of life companies for many years.

From an underwriting standpoint there is nothing fundamentally wrong with legitimate brokerage business, Carl W. Huber, underwriting supervisor Bankers National, said. The underwriter can expect to get a satisfactory mortality from brokerage business if he consistently applies his usual sound underwrit-

ing principles. However, Mr. Huber pointed out that it is impossible to get a decent mortality from such business without the support of a positive agency policy that will effectively attract desirable business and discourage the undesirable.

"We should be as critical in the selection of brokers as they are critical in the selection of companies to be favored with their good business," Mr. Huber said. "The distinction of being favored with good business from reputable brokers must be earned by agency effort. Poor brokerage business comes to us if there is no compelling agency appeal for good business. The acceptance of poor business leads to an increasing volume of it from an increasing number of brokers and a decreasing volume of good business from reputable brokers. In my opinion, the reputation of a broker or agent of another company should be determined before the underwriter is expected to decide whether the business is good or bad."

New Company Members

The companies that have joined the institute during the past year are Bankers of Nebraska, Bankers National, Great American, North American Life, Union National, Woodmen of the World, which is the only fraternal member, Lincoln Liberty, Continental Life, Amicable, Capitol, Jefferson National, and North American Life & Casualty.

D. B. Alport, Business Men's Assurance, headed the nominating committee; Carl W. Huber, Bankers National, resolutions; D. M. LaClair, United Benefit Life, the convention city committee, and W. A. Field, St. Louis Mutual, auditing. Selection of the 1942 convention city was left to the meeting of the executive committee in February, but those from Dallas put in a strong bid.

American Service Bureau representatives were on hand to take care of registration. Among them were Lee N. Parker, Barrett M. Woodsmall and G. Gifford. The bureau's roster of guests

by companies and room numbers, which appeared on the second day, made a big hit.

The press section was headed by Ray E. Button, reinsurance secretary of Alliance Life, Chicago, aided by Ed W. Beresford, Old Line Life, and Harley Poff, assistant vice-president Jefferson National Life.

Provident Life, Bismarck, N. D.—The company has experienced an 18 percent gain in paid-for business for the first eight months of 1941.

Diamond Life Bulletins increase sales. For details write 420 E. Fourth St., Cincinnati.

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CONSULTING ACTUARIES
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SAN FRANCISCO LOS ANGELES

ILLINOIS

WALTER C. GREEN
Consulting Actuary
Franklin 2633
211 W. Wacker Drive, Chicago

HARRY S. TRESSEL
Certified Public Accountant and
Actuary
10 S. La Salle St., Chicago
Associates
M. Wolfman, A. A. I. A. Franklin 4030
N. A. Moscovitch, Ph. D.
L. J. Lally

INDIANA

Haight, Davis & Haight, Inc.
Consulting Actuaries
FRANK J. HAIGHT, President
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HARRY C. MARVIN
Consulting Actuary
221 E. Ohio Street
INDIANAPOLIS, INDIANA

NEW YORK

Established in 1845 by David Parks Fackler
FACKLER & COMPANY
Consulting Actuary
Edward B. Fackler Robert O. Holman
8 West 40th Street New York City

Consulting Actuaries
Auditors and Accountants
S. H. and Lee J. Wolfe
Lee J. Wolfe
William M. Corcoran
Joseph Linder
110 John Street, New York, N. Y.

PENNSYLVANIA

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THE DOMINION LIFE ASSURANCE COMPANY
Field men of the Dominion Life are backed by the experience and financial strength of a progressive Company.

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... A real opportunity for the right man to qualify for a general agency contract with

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Central Life Insurance Company of Illinois
ALFRED MACARTHUR, PRESIDENT
211 WEST WACKER DRIVE, CHICAGO

R. W. Beeson Is L.O.M.A. Head

(CONTINUED FROM PAGE 4)

outlined a 14 point management program for effectively coordinating the efforts of employees as follows: Determine talents needed in each position; select from those available the individual most nearly possessing these talents; continue selection process beyond employment, through each promotion or transfer; train and develop personnel to make most of latent abilities; make certain each employee has a broad knowledge of the business and a working knowledge of the company, as well as his own



F. L. ROWLAND

particular work; properly reward employees for their contribution to the business; provide for maximum possible security of personnel against illness, old age, dismissal, unemployment, and the like; maintain proper balance of regulation; in a fair way offer chances for development and promotion; seek new ideas from within the organization; provide care for social and physical recreation; let each worker know the over-all management plan and his or her place in it; provide happy working conditions, and coordinate all units and efforts to a central plan and objective.

He pointed out that life companies have been particularly aware of management problems because provision must be made for carrying out contractual obligations many years hence.

Reserve Is Built Up

Continued acceptance is found of the work the L.O.M.A. is carrying on, Executive Secretary Rowland declared. Although income was cut down somewhat because of national defense activities, the association has built up large reserves for such a contingency and its work was not curtailed. At the close of last year, the association had 157 member companies and nine associate members. One-hundred and forty-nine individuals have engaged in committee activities of the association, which Mr. Rowland termed a record. Three years ago the association started work to index all of the material which had been given at its meetings since its organization in 1924, and this work is now completed. There are 59 fellows of the L.O.M.A. Institute and 789 associates, he said.

Special sessions for representatives of industrial and ordinary companies were held on two days after the general sessions. Ordinary sessions chairmen were Geston Garner, president State Mutual of Rome, Ga., and S. J. Blashill, secretary Ohio National. The industrial seminar chairmen were J. F. Ruehlman, vice-president, and R. C. Massa, secretary, Western & Southern Life.

Mr. Wartens was given an ebony and ivory gavel by his fellow officers in

appreciation of his leadership, the presentation being made by G. A. Hardwick, Penn Mutual, a past president of the association. The nominating committee report was given by L. C. Ashton, Provident Mutual. Dancing and entertainment followed the annual dinner Monday, which was preceded by a reception given by the officers of Union Central, Western & Southern, and Ohio National. About 400 were in attendance.

There are now over 58 million individual accounts on record with the Social Security Board in Washington, and 20,000 new accounts are being established each day, it was announced by Warren B. Irons, chief of the methods section of the Social Security Board, in his address. There is an accounting personnel of 4,300 engaged in maintaining these records. Two million tax returns are received each quarter from employers. These returns involve over 34 million individual wage items. Each item must be posted to the wage record of the individual. It is essential that this accounting function be performed with a high degree of accuracy since these records form the basis of payment of monthly benefits.

War Clause Survey Shows Increasing Restrictions

(CONTINUED FROM PAGE 2)

two do not consider. For those not classified, 41 will issue an indefinite amount, one up to \$15,000, three up to \$10,000, 16 up to \$5,000, 12 up to \$3,000, and 29 none; 14 will base the amount on probable classification.

Most companies will give unrestricted coverage to those classified in III-A, and give individual consideration to those deferred for reasons other than dependents.

These underwriting practices apply, however, to only a small fraction of the total new insurance written, Mr. Menge said. The practices indicated here pertain to underwriting of new applicants only, and will have no effect upon the large volume of insurance heretofore written and now in force. For many years in the past most companies have issued policies freely without war restrictions and these policies remain unrestricted even under current conditions.

PERRY'S TALK

I. R. Perry, chief underwriter Shendoah Life, discussed the war risk subject. The international situation is changing so rapidly further restrictions are being applied daily, he said. For instance, his company recently discontinued issuing insurance to men in the navy, marine corps and coast guard, following President Roosevelt's proclamation of an "unlimited emergency." The company has doubled its rating on army aviators.

With respect to the soldiers' and sailors' relief act, Mr. Perry said that an amendment recently introduced in Congress would redefine the term "policy" under the law so as to eliminate the practice of agents writing cover on men who are going to be inducted into the service within 30 days or more.

W. J. Barr, Fidelity Union, said that he thought it was unfair of the government to guarantee the premiums on a policy in its first year when it has no cash value, but decline to do so in connection with a policy on which money has been borrowed, though the latter may have \$200 or \$300 of value left in it.

In connection with an applicant engaged in the merchant marine, L. H.

McVity, actuary Business Men's Assurance, said that Canadian companies are charging \$25 per \$1,000 extra on that class of business and including a regular war clause except the limitation on travel. Several companies indicated that they would charge less than \$25, but most indicated that they would charge some extra premium. Drafting of such men into the navy is likely.

Of concern to both ordinary and industrial companies is the problem of getting information on workers in defense plants. Underwriters indicated that they are having a lot of trouble with this type of risk. It is almost impossible to get information from employers as to the type of work done. In many instances the employing company has been instructed by the government, and has, in turn, instructed employees, not even to reveal the name of the company.

Easier on Industrial Companies

This is not such a hardship for industrial companies. Many of their policies come in without the employer's name anyway, with the type of work indicated. One industrial underwriter pointed out that if he sent back applications on which the employer's name was not given, it would constitute 99 percent of the policies his company receives.

One underwriter said his company was taking a lot of defense plant business, and was not too much worried about it because the government is insisting upon the utmost safety in operation. This means that such plants are perhaps safer than the ordinary industrial plants. Other underwriters are chary of getting too much of this business concentrated in such places because when an accident does occur, the company will get hit hard. Underwriters suggested such cases be rated 150 to 170 percent of normal, be written without double indemnity or disability, and underwriting should be watched to get a spread.

Boys in CCC Camps

On boys in CCC camps, in some locations the accidental death rate is higher than normal so that no disability or double indemnity should be issued, and 23 companies indicated they would decline the insurance entirely. Persistency is questionable and there may be a speculative element involved. The speculative element should be watched also in connection with draft-ees. While some companies indicated they would take applications on refugees without benefits, many of them indicated they would postpone until the refugee had been in this country a while.

Thompson Brooklyn Head

The Brooklyn Life Supervisors Association installed Clive I. Thompson, New England Mutual, president; Herbert F. Austin, Jr., vice-president, and Willard J. Colwell, Northwestern Mutual, secretary.

Personalities at Boston Parley of "Ad" Men

(CONTINUED FROM PAGE 24)

of Iowa; Richard Rhodebeck, U. S. Life; J. A. Young, Monarch Life.

Photography is another hobby widely popular these days. In the L.A.A. membership, the camera men are Forrest R. Brauer, Home Beneficial; Carroll Frey, Penn Mutual; W. L. Jessup, Pilot Life; Russell Noyes, Phoenix Mutual; Lloyd Peek, Northern Life; Harry A. Richardson, Mutual Benefit. M. G. Millar, Pacific Mutual, makes amateur movies. Howard D. Shaw, Continental American, searches for maps and sunspots, and makes model trains.

Musicians are to be found in Harold Brown, Imperial Life, who has been in symphonic and string groups; J. H. Castel Graham, of London Life, who is a pipe organist; Lewis W. S. Chapman, Sales Research Bureau, who is a pianist; E. Paul Huttering, Penn Mutual Life, who is an amateur cellist; E. B. Griffith, Colonial Life, violinist.

Others enjoy woodworking, the art that has popularized cellars; J. R. Adams, Liberty National; John H. McCarroll, Bankers Life; Albert F. Randolph, Penn Mutual. Price R. Cross, Southern Life, enjoys cooking; he also has tropical fish, but doesn't cook them. Mary C. Baker, Connecticut General, goes in for exploring old roads and trails of Connecticut, as well as boating.

Franklin R. Anthor, Equitable Society, in his home workshop works on explosive and incendiary bullets for the U. S. Army, he is on the inactive list of the signal reserve.

Hunting and fishing claim the enthusiasms of V. L. Cowie, Great-West Life; Price R. Cross, Southern Life; Charles D. Greenfield, Western Life; Leonard C. Kiesling, Continental American; Howard W. Kraft, Midland Mutual; H. S. McConachie, American Mutual; Martin J. Mullen, General American; John W. Murphy, Life of Virginia; Harry J. Syphus, Beneficial Life; Clark W. Thompson, American National; O. R. Tripp, Ministers Life & Casualty.

Sailing boats is the hobby of Arthur H. Reddall, Equitable Society; James A. Peirce, John Hancock; Raymond F. Low, American Reserve; Richard B. Thompson, Mutual Benefit.

The hobby of flying engages W. L. Rawlings, Sterling National.

Swimming is a favorite with R. William Archer, Southwestern; Thurwin V. Drevescraft, Union Mutual; J. P. Ferguson, London Life.

Boys' work, which is largely outdoor play, is the hobby of W. J. Cowles, Mutual Life of Canada; Morgan C. Crockett, Excelsior Life; William D. Bacon, Occidental Life; Raymond R. Low, American Reserve.

Gardening claims the off-hours of Royden C. Berger, Connecticut Mutual; Clifford Elvins, Imperial Life; Nan Loughran, Old Line Life.

Fishing, George A. Adsit, Girard Life; Harold J. Cummings, Minnesota Mutual; Fred G. East, West Coast Life; Henry S. Jacobs, Equitable of Iowa; Lorry A. Jacobs, Southland Life; M. C. McKay, B.M.A.; G. W. Munford, Home Security; William Sexton, Great Southern; W. A. Shields, Confederation; Arthur W. Theiss, Ohio National.



ONE
OF THE MANY
GREAT FRATERNALS

AID ASSOCIATION for LUTHERANS
APPLETON, WISCONSIN

THE WOMAN'S BENEFIT ASSOCIATION
Founded 1892

A Legal Reserve Fraternal Benefit Society

Bina West Miller
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Frances D. Partridge
Supreme Secretary

Port Huron, Michigan

LEGAL RESERVE FRATERNALS

Ben Hur Life Head Taken by Death

John C. Snyder, president of Ben Hur Life of Crawfordsville, Ind., died this week. He was a brother of the late Frank L. Snyder, one of the society's founders, and was identified with the order from the start.

Mr. Snyder was on the law committee which drew up the first articles of incorporation. He was named supreme keeper of the outer gate at the first supreme meeting held early in 1894, and three years later was advanced to supreme keeper of the inner gate.

In 1898 Mr. Snyder was chosen past supreme chief and in 1900 went on the executive committee. He became supreme organizer in 1904 and at the death of his brother, Frank, the next year, succeeded him as supreme scribe.

President for 18 Years

When Dr. R. H. Gerard, who originated the idea for the order, died in 1923, Mr. Snyder became supreme chief, corresponding to president, and the title was changed to president in 1930.

When Ben Hur Life was organized, Mr. Snyder lived in Kansas City, Mo., where he formed a court of Ben Hur Life in 1894, the first to be organized. Thus, he beat the gun, as it had been planned to have the home court, known as Simonides, first on the roll.

Mr. Snyder for many years was active in the National Fraternal Congress, being its president in 1926-27. He strongly backed a project for nationwide institutional advertising by the congress and headed a special committee which studied this subject several years ago but failed to secure approval of the plan.

Illness Was Brief

Mr. Snyder, who was 75, had only a brief illness. Services were held Thursday.

His home stood where the historic home of General Lew Wallace, author of "Ben Hur," once stood. Mr. Snyder was born Aug. 7, 1866, near Middletown, Ohio. His parents, Mr. and Mrs. Jacob C. Snyder, resided on a farm near Crawfordsville from the time he was seven until he was 15, when they moved to a farm near Kansas City, Mo. There he was in the real estate business when David W. Gerard, and his brother, Frank L. Snyder, then a funeral director in Crawfordsville, formulated plans for organizing Ben Hur. Mr. Snyder, besides the Kansas City court, founded one in Kansas City, Kan. He became an organizer for the society, establishing courts in many midwestern cities.

Mr. Snyder was married in 1890 to Miss Estelle Cortright, Kansas City, who survives. They observed their 50th wedding anniversary in September.

Mr. Snyder shared in the society's growth to the present 78,000 members, \$62,000,000 insurance in force and more than \$17,000,000 assets. He was prominent in business and civic circles at Crawfordsville and in Indiana, president of Elston Bank & Trust Company, past president Montgomery County chamber of commerce and Indiana state chamber of commerce. He also for some time was a national councilor of the United States Chamber of Commerce.

Receiver for St. Louis Fraternal

ST. LOUIS—Harry Richards, an attorney, has been appointed by Circuit Judge Flynn to serve as receiver for the defunct Knights of Pythias of Missouri, a St. Louis Negro fraternal. Judge Flynn held that the fraternal is insolvent and that it had been conducting its affairs in a manner "hazardous to its members, creditors and the public." He ordered forfeiture of the organization's charter, issued in 1893. Assets were held to be only \$8,000 and liabilities \$32,491.

Danger in Uniform Bills, Perrin Says

Dangers involved in the proposed uniform death and disappearance bills sponsored by the American Bar Association and introduced in many states were discussed before the National Fraternal Congress convention in San Francisco by George G. Perrin, general counsel of Modern Woodmen, Rock Island, Ill.

This legislation was drafted, and adopted by the National Conference of Commissioners on Uniform State Laws and took the form of bills in Colorado, Idaho, Florida, Texas, South Dakota, Indiana and elsewhere, whose similarity indicated some concerted action. These were the uniform simultaneous death act and uniform "absence as evidence of death" act. Mr. Perrin said it is the present desire of the American Bar Association and the National Conference to have these acts become adopted everywhere, and the uniform absence as evidence of death act has been adopted in Maryland, Tennessee and Wisconsin.

The uniform simultaneous death act, he said, has been adopted in Florida, South Dakota, Illinois, Indiana, Arkansas, Maine, Maryland, Michigan, New Hampshire, Pennsylvania, Tennessee, Vermont, Wisconsin and Wyoming.

Would Upset Existing Practice

"Many societies, like Modern Woodmen, have policy or by-law provisions that death shall not be presumed from the common law rule of seven years' absence and that disappearance shall not be regarded as evidence of death until the expiration of the member's expectancy of life, during all of which time the certificate must be kept in force."

He noted that such a by-law was declared reasonable and binding in the Illinois case of Steen vs. Modern Woodmen, 129 N. E., 546, in 1920, and in 1925 the U. S. Supreme Court in Modern Woodmen vs. Mixer, 267 U. S. 544, reversed a decision of the Nebraska supreme court that had not followed the Steen decision, but held the contrary, the U. S. court ruling in the Mixer case that membership rights are governed by the law of the state of domicile and under the full faith and credit clause of the constitution, Nebraska must follow Illinois concerning the corporate powers of an Illinois corporation. Societies have relied upon the holding in the case, Mr. Perrin said.

Predicts Increase in Fraud

"The legislative proposals mentioned would annul the result of the Steen and Mixer decisions and would probably be worse than the common seven year rule. Under such proposals death could be found at any time.

"Under the exposure to peril clause, I surmise that most suits based upon disappearance would contain an allegation of specific peril and the necessary proof to establish same would be forthcoming and would be difficult to refute, and then under the law, the court or jury would be compelled to find accordingly. Thus fraternal societies would be subject to fraudulent claims no end."

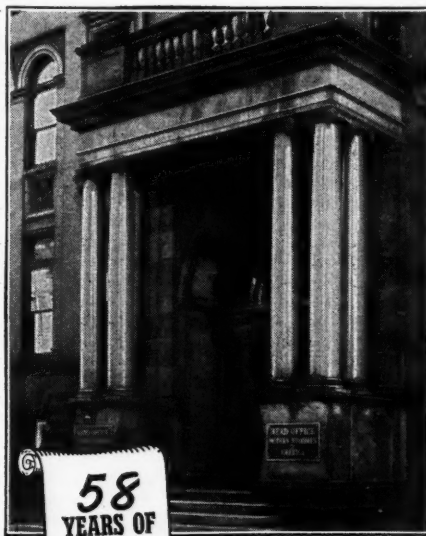
Szalanczy Verhovay Treasurer

Directors of Verhovay, Pittsburgh, at the semi-annual meeting elected John Szalanczy, supreme treasurer to succeed the late Michael J. Varga, who died in April. Mr. Szalanczy also is a

Snapshots taken at National Fraternal Congress in San Francisco are shown on inside back cover.

A \$90,000,000

Society



58
YEARS OF
SERVICE

Entering upon its fifty-ninth year, looks confidently to an ever-widening spread of fraternal life insurance service to the people of America in the years ahead.

1883
\$620,000,000
paid in benefits
1941

MODERN WOODMEN OF AMERICA

HEAD OFFICE

ROCK ISLAND, ILLINOIS

Life Insurance PLUS

It made an amusing little story for the city-dwellers to read over their morning coffee—but it spelled tragedy for the doctor and his relatives. Judged hopelessly insane, the unfortunate doctor was sent to an institution. His family, as with most families of doctors, was left without income.

But that particular doctor had recognized the vulnerable position of a doctor's dependents. He had safeguarded his family against the possibility that some day he might become unable to pursue his profession. A Maccabees \$25,000 20 Pay Life certificate with Income Disability was his bulwark against misfortune. Today, and as long as the doctor continues to be totally disabled by his illness, his family receives \$250 each month and the rates will be waived.

That particular Income Disability feature is one which makes the job of Maccabees field men easier. They know that The Maccabees is one of the few insurance institutions in the United States and Canada which issues Income Disability—and that it stands almost alone in that it pays \$10 per month per thousand.



All names used are fictitious, but the case is an actual one taken from Maccabees files.

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DETROIT

MICHIGAN

director. He long has taken an active part in Verhovay life, holding various important offices. He was chairman of the 1939 convention, has been a director since 1935, and for years has been the president of Branch 96, Chicago. Mr. Szalanczy was born in 1888 in Hungary, and prior to removal to the home office lived in Chicago since 1907.

Ill. Fraternal Congress Convenes at Peoria Nov. 13

The annual meeting of the Illinois Fraternal Congress will be held Nov. 13-14 in Peoria, Ill., at the Pere Marquette Hotel. A large attendance from the 65 societies holding membership in the congress is expected and representatives of non-member groups have been urged to attend. A number of speakers are expected to participate and banquet has been planned for the first day.

The theme of the meeting will be continuance of the drive to make Illinois the top state in fraternal membership, Pennsylvania now holding that position. At various times the congress will be addressed by its officers, President Walter C. Below, Fidelity Life; Vice-president Joseph Sheen, Security Benefit; Secretary Russell H. Matthias, Lutheran Brotherhood, and Treasurer C. J. Del Vecchio, Royal League.

Now Texas Fraternal Society

The title of Texas Legal Reserve Fraternal Society of Dallas has been changed to Texas Fraternal Society. It operates under the lodge system and provides insurance for its members.

President is J. M. Hopkins. A new whole life policy with loan and non-forfeiture provisions will be released shortly. A new accounting system has been installed. Overhead has been curtailed.

Commissioner Johnson of Minnesota spoke at the golden jubilee celebration of *Catholic Workmen* at New Prague, Minn.

Jonesboro Has Victory Dinner

The Jonesboro, Ark., district of Life & Casualty held a victory banquet there in honor of the district's making a quota set by Vice-president C. M. Herron, who was speaker of the evening. Dr. Carl Kirchmaier, medical director, and Otis P. Grant, personnel director, also made short talks.

Making the quota qualified District Manager W. W. Yopp, Jr., to attend the 1942 convention in Havana.

Five copies of "Problems of the Smaller Estate" by Attorney G. B. Rogers cost \$1.

Stray Glimpses of N. F. C. Annual Convention

The National Fraternal Congress was fortunate in getting through its entire convention at San Francisco without the complications of union labor picketing. The Mark Hopkins hotel was picketed and the St. Francis hotel, where N.F.C. met, expected similar trouble. Piano accompaniment for the installations and memorial ceremony was complicated by the threat of a walkout of musicians and perhaps all hotel employees if any N.F.C. member furnished the music, as is the usual custom. Mrs. Walter Basye, talented wife of the editor of "Fraternal Age," finally played a march for installation of officers on the last morning, when no harm could result.

N.F.C. members were greatly intrigued by construction work on the block-square bombproof shelter, an underground four-story parking garage just across from the St. Francis. It was a city park, but now is a huge hole with steel girders rising. Eventually the park will be replaced and underneath will be space for 5,000 cars or many thousands of people in case of air raids.

Richard F. Allen, Topeka, Kan., general counsel of Standard Life and secretary-treasurer Law Section, who was present in San Francisco, is an aviation enthusiast and has won a private pilot's license. He is part owner with several other young men of a plane which he flies at Topeka and has logged about 130 hours in the air.

Independent Order of Foresters held a well attended old fashioned barbecue at its home and sanitarium in Lopez Canyon near San Fernando, Cal., following the N.F.C. meeting. Frank E. Hand, supreme chief ranger, and his son, Frank E., Jr., Pacific Coast manager, were hosts.

ACCIDENT

Approve Preliminary A. & H. Week Plans

Preliminary plans for the observance of 1942 Accident & Health Insurance Week, March 23-28, were presented to a sub-committee meeting in Chicago. Poster and letterhead designs and other promotional and sales material aids were approved. Final approval of the material will be given at the first meeting of the general committee which is tentatively scheduled to be held in Cincinnati at the Hotel Gibson, Oct. 31. It had been previously planned to hold the general committee meeting in Chicago at the time of the annual accident and health executives dinner in November, but it is now planned to hold the dinner some time in January.

The American nurse as a symbol of service and devotion will be used as the theme for 1942 Accident & Health Week. It is planned to find the typical American nurse in a nationwide contest with the local associations tying in to find the local nurse who will be submitted in the national contest.

N. Y. Season Starts Oct. 7

NEW YORK — Charles S. Ashley, vice-president of Maryland Casualty and honorary chairman of the New York City Accident & Health Club's educational committee, will be the speaker at the first fall educational meeting, Oct. 7 at the Chamber of Commerce building. Other speakers will be Robert W. Pope, Employers Liability, club president; W. L. Kick and William L. Kick, Century Indemnity, committee chairman, who will introduce Arthur P. Dozois, general agent, who will talk on sales possibilities. G. M. Chorlian, life insurance agent, will

Plan Now to Get Your Copy of Survey Edition

The Accident & Health Review, the only publication devoted exclusively to accident and health insurance and the official organ of The National Association of Accident & Health Underwriters, will issue its 1942 Survey Edition next March. This annual number which is sent to subscribers in addition to the monthly issues, is always extremely popular as it contains the most successful sales ideas of the year as well as complete background and statistical data of use to the agent in the field. By using the handy subscription card in this issue, agents and company men can start getting stimulating monthly copies of The Accident & Health Review at once and be assured of getting a copy of the Survey Edition next March. Plans for the annual Accident & Health Week and Hoodoo Day drives will be outlined in detail in The Accident & Health Review in coming issues. The subscription cost is only \$2 a year.

speak on sales advantages of accident and health insurance.

To Check Company Agency Practices in Canada

TORONTO — Conferences will be held within the coming year between the Association of Superintendents of Insurance of Canada and representatives of life companies and agents in Canada to try and formulate the best program suitable to all whereby problems involving agents and their training and selection may be ironed out. This is revealed in a report on discussions held by the standing committee on the licensing and regulation of agents.

It is pointed out that the agency field is overcrowded in Canada; that there are too many so-called agents who are a detriment to the business. The superintendents will ask each life company for a report on information concerning their methods of selection and training of agents with a view to determining the effectiveness of them.

Doyle Zaring, agency secretary of Indianapolis Life, who suffered a broken collar bone in an automobile accident some four weeks ago, is back at his desk but is still wearing a cast.

Hold Institute at University of Minnesota Oct. 27-Nov. 1

MINNEAPOLIS — Indications point to a registration of about 50 at the first institute in life insurance underwriting to be conducted at the University of Minnesota Oct. 27-Nov. 1. The institute is sponsored by the university in conjunction with the Minnesota Association of Life Underwriters and the National association. Sessions will be held at the center for continuation study on the campus, where those attending may live at moderate cost. Similar courses already have been held in Kansas and Wisconsin and a half dozen others are planned for this year.

To Cover Six Subjects

Six subjects will be covered: The evolution of life insurance; structure of life insurance; finding and analyzing life insurance needs; broader aspects of life insurance; selling of life insurance; organization problems in life insurance.

The faculty will consist of university instructors and four prominent Twin Cities men: Paul Dunnagan, Canada Life; Edward H. Keating, Equitable Society, and Louis Gross, State Mutual, all of Minneapolis, and Harold Ames, Prudential, St. Paul.

The committee representing the state association includes Dean H. Field, Prudential, St. Paul; Blake Nevius, Sr., Winona; Wright Scott, Lincoln National, Minneapolis, and Mr. Gross. Earl F. Colborn, Rochester, chairman committee on education, and Wilfrid E. Jones represent the National association. Dean Russell A. Stevenson of the school of business of the university heads a group of four university faculty members.

Action on Chapter 9 Suits

LOS ANGELES — Judge Schmidt, superior court, has issued an order permitting Commissioner Caminetti to pay current claims of Equitable Life of Oakland, Chapter 9 company, and to defer payment of claims accrued previous to conservatorship. Hearings were set for Oct. 14 on Imperial Life of San Francisco, and for Nov. 3 on Physicians Life of San Francisco. Trial of Prudence Mutual of Sacramento was set for Dec. 12.

Assets of 11 Chapter 9 companies taken over by Commissioner Caminetti as conservator have increased approximately \$464,000 as a result of reductions in expenditures and the normal accrual of reserves. Writing of new business has been resumed by National Guaranty Life, Guaranty Union Life, State Mutual Life and Physicians Life.

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A Pure Protection—Ordinary or Whole Life policy without secondary banking or Cash Value features.
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Our limited pay policies permit the withdrawal of Cash Values
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We pay the Beneficiary
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Dependable service to policyholders.
The sun never sets on an unpaid claim

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NORTH AMERICAN LIFE INSURANCE COMPANY OF CHICAGO.

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PAUL McNAMARA
Vice-President

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Sales Ideas and Suggestions

Arresting Results of Analysis of 4,500 Recent Cases

W. T. Plogsterth, director of field service of Lincoln National Life, in his address before the agency convention of the Wisconsin National Life, drew some conclusions from studies that his company has made of 4,500 recent applications. They were a diversified lot. The studies were made in conjunction with the men who wrote the applications so that the company was able to get the field viewpoint.

He said there was one feature that ran through all these cases and that was the applicants face the same common sense ideas today that were found in the past, that is, the motive for buying was pretty much the same. The same fundamental desires and obligations prevail now as before.

Value of Old Policyholders

Of this number 10 percent of the applications came from old policyholders. He said that is the normal rate that the Lincoln National has found in its own business all along. He took the position that agents are too prone to neglect this sort of prospect. All satisfied policyholders, he said, are of great value as assistant prospectors. One out of every four of these applications came from suggestions by policyholders. After all Mr. Plogsterth is of the opinion that satisfied policyholders can be leaned upon very sincerely. They are most valuable centers of influence. They have relatives or friends and if they are thoroughly satisfied with their insurance they do not have any qualms about recommending the company or the agent. Much information is gotten about these relatives and friends before any canvass started. The speaker referred to the use that can be made of service calls. Some companies set apart a certain period, a month, for instance, when agents are supposed to go out and call on policyholders to ascertain whether any service can be rendered them. Their insurance is brought up to date and their situation reviewed. Very often an agent gets added insurance and new prospects.

"More life insurance is sold on Main street than on Wall street," said Mr. Plogsterth. "There are far more lamp-posts than lighthouses." He asked why an agent should neglect his present policyholders and go after new prospects when the policyholders probably are his best prospects.

Occupational Leaders

Speaking of the applicants leading in the 4,500 applications from an occupational standpoint, he said, executives were first, then professional men, then salesmen and then merchants. It was found that 50 percent of these had no life insurance. He stated that every study that had been made during the last few years showed this same proportion—only about 50 percent of the applicants carried life insurance.

When it came to the motive for buying insurance, Mr. Plogsterth said that if a man had no dependents, no wife or children, his motive for buying was very much lessened. Most applications come from this instinctive feeling of responsibility that is found in human beings, that is, the responsibility of caring for those dependent on them. Speaking of the appeal that made the sale of these 4,500 cases, he said that 50 percent were persuaded to buy because of a desire to protect their dependents. Then 24 percent were moved by protection and also the building up of an

income for one's self in his old age. Therefore, the protection and old age appeals are the most potent. When it comes to making provision for old age he said that most men realize that their business judgment is not so keen in their later years as it once was. Old age dims one's faculties. Therefore, life insurance is a protection in the future against vicissitudes and bad financial judgment.

Basis of Premium Payment

Mr. Plogsterth said that of these 4,500 cases, 40 percent were purchased on the annual premium plan. An interesting feature was that in these annual premium policyholders the average size of the policy was one-third larger than those on the semi-annual or quarterly basis.

Mr. Plogsterth brought up the question as to how long can an agent afford to keep a prospect on his list and see him from time to time. He said that one of the weaknesses of a great number of salesmen is in keeping their prospects on ice far too long. The results in such cases are not profitable. He said that unless a person is able to

sell on the first or second interview, it would be more satisfactory to go and get new prospects. This does not apply in all cases but it does in the majority especially in the smaller policies. Of these 4,500 cases 44 percent were sold on the first interview, 38 on the second, 18 percent on subsequent interviews. He said that it is highly desirable for an agent to keep refilling his reservoir of prospects.

Fireside Prospecting

"Artificial light seems to be quite conducive to stimulating production," said Mr. Plogsterth, "as was brought out in these 4,500 cases. It offers no handicaps whatever in getting people to sign on the dotted line. Evening is a fine time to do fireside prospecting. Of the 4,500 prospects, one-third were closed in the evening with the husband and wife and the agent sitting together and discussing the problems of the family. Twenty-seven percent were completed in the morning. It is well to talk things over with prospects. We hear a great deal about the professionalizing of agents. They are interested in business insurance, tax cases, pension trusts, large amounts, etc., and these men get away from the evening calls. However, I should say that by and large an agent should keep in mind the value of these evening visits. They are valuable in the farms and in Main street towns."

Prospecting, Business Cover Discussed at Hot Springs

HOT SPRINGS, ARK.—New England Mutual's 11 agencies in the middle and south central states joined forces here for a two-day region conference.

Pendleton A. Miller, Topeka general agent, discussed the function of life insurance as "Financial Democracy in Action"; S. B. Oakes, St. Louis, presented practical ideas on "Self-Organization"; Isadore Samuels, Denver, general agent, gave a stirring talk at the dinner on "Champions of Democracy"; E. L. McClure, of Kansas City, and C. C. Weber, New Orleans, headlined the meeting on business insurance, and Christopher Goldsberry, Houston, and Eric O. Ohman, Des Moines, spoke at the career underwriting clinic.

Prospecting Panel

A panel discussion of prospecting methods and sales ideas was presented by 11 agency leaders, under Francis G. Bray, Houston general agent. The experts supplying answers to Mr. Bray's cross-examination included F. W. Dedman, Knoxville general agent; I. J. Diaz, New Orleans; Ed Felsenthal, Memphis; R. W. Fischbeck, Des Moines; W. A. Gray, St. Louis supervisor; T. G. Harrison, Nashville general agent; A. O. Lewis, Topeka; L. E. McClure, Houston; E. G. Mura, Kansas City general agent; Dave Noble, Omaha supervisor, and S. S. Silverman, Denver.

Vice-president Walter Tebbetts, W. E. Hays, director of agencies, and John Hill, head of the educational division, represented the home office.

Reviewing the role of life insurance under present conditions, Mr. Miller declared that "the all-important thing that most people should worry about is not what their dollars will purchase, but whether or not they will have any dollars for their family if they die, and whether they will have any dollars at age 65 for themselves if they live."

Mr. Samuels said that agents are trained ambassadors of thrift. "They

carry messages of peace, of security. Theirs is the primary duty of seeing that no person misses the advantages derived from membership in this democracy."

At the advanced underwriting clinic on business insurance, Mr. McClure contributed methods in evolving and presenting plans for the liquidation of business interests of sole proprietors, partners, and corporations.

In referring to the revival of business insurance after the relatively dormant depression years, Mr. Weber called attention to the test which those years gave to this protection. "Just as life insurance for personal needs came through the depression in a stronger position than ever," he said, "so, too, business insurance as a solution for business financial problems now has the greater public acceptance and the prestige which its record of fulfillment has justified."

Emphasizes Continuous Study

Eric O. Ohman, assistant Des Moines general agent, emphasized the importance of study in life insurance. "To be enthusiastic about the business you must have a clear understanding of it, an understanding of life itself, and a clear understanding of life insurance and its application to life problems. To gain this understanding it is necessary to study."

Mr. Oakes urged following practical rules of organizing one's time and efforts, and through the natural and very fundamental process of building one's character.

Prospecting Methods Related

The center-of-influence and endless chain methods still are the most popular general methods of prospecting, it was brought out at the prospecting quiz. Mr. Noble told of excellent results from close observation of financial and business reports. Increased prosperity is by no means restricted to those imme-

diately in defense industries, it was shown, with retail tradesmen, professional people, and the unspectacular under-supplier also enjoying the best incomes in years, and proving excellent prospects. Mr. Dedman reported that both retail merchants and professional men are not only better able to buy but are more insurance-minded. The experts agreed that if exceptional difficulty is experienced in making contacts or arranging interviews because of defense work, it is due chiefly to inadequate preliminary groundwork and establishing of prestige. These prospects are busy, and will not waste time, but are ready to talk with the underwriter who has made himself favorably known. Mr. Gray reported success with interviews at lunch or after hours.

Taxes Have Little Affect

Mr. Mura was of the opinion that increased income taxes affect life insurance decisions little at this time, and the others reported finding the anticipated increases an additional sales point. People who were formerly interested in other forms of savings are now turning to life insurance. Mr. Dedman reported, because the new tax rates will leave a smaller margin for accumulation of estates by other methods. Mr. Lewis told of his excellent results from use of the social security approach.

Managers Give Two Views on Success in Underwriting

Two views of the problems of life underwriting were presented at a meeting of the Life Underwriters Association of Kansas City. Bert A. Hedges, manager Business Men's Assurance, discussed "What Do You Mean—Professional Life Underwriter?" C. C. Day, Pacific Mutual, Oklahoma City, offered eight success factors.

Warns Against "Policy Peddling"

Mr. Hedges said that those who have successfully carried on through the depression might now step up their selling to encompass boom conditions, but he warned against "policy peddling," which is a form of underwriting "malpractice." However, the business tends to weed out most of the misfits in a short time, elimination which in such professions as medicine and law is effected by the arduous schooling, internship and getting started. Even then, he said, quite a few unqualified men survive and continue in those professions, and last a good deal longer than the unfitted life insurance agent does.

Training for life insurance, he explained, involves two things: A thorough knowledge of and a keen interest in the problems of human beings as individuals, and acquiring the knowledge of the tools, the plan by which human desires, problems and aspirations are underwritten.

The Small Buyer

A professional attitude means that the underwriter gives the same care to a buyer of small policies as to the large buyer, he said. The little fellow may require a lot more service to conserve his small policy than the client who pays ten times as much. As in medicine, the man who can afford it pays more in commissions in proportion to the time required than does the little fellow. But, he asked, "isn't that a part of the professional concept?" Some think that a \$2,000 policy is not worth programming. Then, can the man with only

\$10 spend it carelessly, while the man with \$10,000 must be careful with every cent?

The field for the well trained and qualified professional life underwriter is steadily expanding, he said; while the illy-prepared, incompetent agent will find increasingly hard going. But mere knowledge and skill is not enough. One must be a salesman, persuading people to buy the service. In addition to knowledge, education and salesmanship there must be a sympathetic understanding of life.

Vocational Confidence

Mr. Day explained that, first, there must be vocational confidence, which can be acquired by rehearsal and practice. Some may incline to skip over the details of a sales presentation because they know the sense of it, whereas it really takes 60 days to master a presentation.

A second factor is skill, which comes from practice. Don O'Neill, tennis champion in 1940, who had been defeated as runner-up in 1939, spent two hours a day for 365 days practicing backhand strokes, in which he had been told he was deficient. Some entire groups of salesmen, Mr. Day said, don't spend as much time on all their skills as this boy did on one.

Third is the sense of security, the assurance that money can be made, and that one can keep from spending it all.

Fourth is the satisfaction of those desires that demand ego recognition. Desire for this recognition is a wholesome, natural one, which the agency leader should encourage and help satisfy in salesmen.

Strong Prospecting Plan

Fifth is a strong prospecting plan that within itself demands discipline. A manager, he said, may give a high-sounding lecture on life insurance and selling to start a new man off, yet the man may never have sat at a desk or used a file, or know what the prospect list is that the lecturer talked of so glibly. The need is to simplify education, not to glorify it. New men must be helped to understand 1, 2, 3 and 4 in their routine and duties before instructed in 5, 6, 7 and 8.

Sixth, the relationship of quota to budget should be studied and logical. Distribution carefully adjusted to the specific conditions of each agent's production permits the agent to tackle it confidently.

Seventh, there should be some achievement objectives to provide a satisfaction in doing work besides that of just making money. But the objectives should be related to the work.

Eighth is belief in life insurance, in self, in the company, and in associates.

Inflation Likely to Be Short Lived

(CONTINUED FROM PAGE 1)

Our interest centers in the sort of world a widow and her kids will face, if death or disaster cuts off necessary income."

Mr. Linton recalled that the life insurance method of meeting inflationary dangers was extensively employed in the period 1915-20. In that period life insurance sales increased about 200 percent.

The policies thus issued that became claims during the period of high prices performed an invaluable service to the family. The value of the dollars paid to those families was much greater relatively than the dollars which had constituted premium payments.

It is important to consider whether inflation will spell a substantial price rise and the new price level will remain for an indefinite future. If prices are likely to rise and stay up indefinitely, one course of action would be advisable. If on the other hand the peak of the increase is likely to be followed by a sharp decline another course would be indicated.

Mr. Linton produced a chart showing the range of prices over a 150 year period and he expressed the opinion that any inflation spree is likely to be of short duration.

Speculator Must Be Nimble

That being true anyone who resorts to speculation to keep pace with the price rise must be nimble because he must get out at the right time. Because of the relatively short duration characteristics of inflation sprees, life insurance, he said, provides the most likely method of furnishing adequate family protection in the event of a rise in prices. For the outlay in premiums, the policy in the event of death within a few years after issue, provides a much larger return than any investment in stocks, commodities, or real estate. Moreover, the money becomes instantly available and does not necessitate any sales negotiations. The settlement of estates always requires time and it does not take long for market values to change abruptly when inflation forces have been at work.

If there is danger that a lump sum payment to the beneficiary would tempt her to speculate with it the monthly income options can be used to obviate the danger.

Loan Values in Depression

If death does not occur and the policy is carried into a period of deflation the emergency cash and loan values would again render signal service as they did in the 1930's. There would be another wave of heavy termination as assured turned to their policies as the one certain source of help. That could not be avoided. From the broad standpoint it would demonstrate that the emergency provisions in life insurance contracts are of the utmost value in time of stress.

Mr. Linton took to task the criticism in the TNEC report of the abnormally high termination rate during the depression of the 1930's. Mr. Linton said that under the circumstances no other outcome would have been possible. Termination rates at present are tremendously lower than they were then. In times of severe economic depression, termination rates of life insurance as well as of other financial programs are high. When business is good they are low.

Mr. Linton gave a lengthy dissertation on national fiscal issues. He reviewed some of the measures that have been taken and are contemplated to control inflationary processes and he gave his own opinion as he went along. The most effective control, according to Mr. Linton, must concern itself with the excess purchasing power among the masses of wage earners. He pointed out that any type of tax affecting people in a manner which they clearly see and feel is painful and the lawmakers naturally avoid the issue if they can. However, Mr. Linton asserted it cannot be avoided if the serious consequences of a heavy rise in prices are to be averted. Since as a class the lower income groups suffer most severely in a drastic inflation, it is greatly in their interests that adequate prevention measures be adopted.

Program of Savings

Mr. Linton dwelt at some length on the program to take up the excess purchasing power by having it invested in some form of savings as for example government obligations. He pointed out that the application of income to the purchase of life insurance tends in the same direction as the investment in government bonds. The reserve elements in the premiums are invested in securities—frequently government bonds—and hence are removed from the commodity markets. Moreover they build up cash values which may render invaluable service in a later depression period. Life insurance men may be confident that they are acting in the national interests when they urge the sale of life insurance under present day conditions.

Mr. Linton pointed out that Washington desires to avoid selling government bonds to the commercial banks because in so doing the circulating medium of the country is increased and there is a corresponding increase in purchasing

power. The government, therefore seeks to sell its bonds to individuals and to institutions to be paid for out of accumulated savings. When a life insurance company buys a million dollars of government bonds, the transaction is not inflationary. It has the funds in hand and no new purchasing power is created.

Mr. Linton very strongly recommended that authority should be conferred upon the federal reserve board to set limits beyond those now permitted on reserve requirements.

Cooperation of Supervising Officials and Lenders Urged

(CONTINUED FROM PAGE 1)

correspondents in the attaining of this objective, Mr. Van Schaick said that in the post-war period which lies ahead, with its manifold changes and problems, they would have an opportunity to play an increasingly important part.

"There is no field of activity where knowledge of what is going on is so important as in real estate and mortgage guidance," he said. "Social trends and changes affecting large populations have their repercussions. Old and traditional rules as to valuation, as to future development and as to eventual use, need revision in the light of kaleidoscopic changes."

Calls for Closer Arrangement

The challenge thus presented, he said, calls for a closer working arrangement of business and government, both of which have their respective fields and responsibilities. It often happens that greater understanding of the problems of each leads to greater respect and confidence. As the thoughts and comments of governmental supervisory representatives are studied and analyzed it is seen that they are not hostile and antagonistic but often sound and helpful. Thus it would seem that there is presented an unusual opportunity for closer understanding, greater trust, brilliant teamwork and constructive results that cannot fail to inure to the public good, he declared.

As part of the effort to get away from obsolete rules governing valuations and substitute realistic appraisals Mr. Van Schaick cited the work of the real estate division of the New York department, which makes spot checks of properties in various sections of the country. While it is obviously impossible to inspect all properties held by all companies, enough is done to give a substantial cross section which accurately indicates company policy and condition. Comparisons are made between the values reached by these appraisals and the book values used by the company itself. The procedure is welcomed by management, he said, because it gives a check on an intricate and sometimes baffling task and is the type of cooperation between government and management that leads to good feeling and constructive results.

Stresses Need for Servicing

Emphasizing the need for constant servicing of mortgages Mr. Van Schaick noted the deterioration which comes to mortgages if they are permitted to run up arrearages as to taxes and assessments and said there has come a more abundant day for high-grade servicing facilities and that experience has shown that mortgages cannot be serviced properly in absentia. Realization that depreciation and obsolescence insidiously set in from the time of the completion of a structure has already led to important changes in technique that are more than temporary and have received commendation and approval from the supervisory field, he said.

Mr. Van Schaick mentioned the need for a more uniform method of arriving at book values of foreclosed properties. He criticized as unsound the inclusion of accrued interest and foreclosure costs which do not enhance the property's value in any way. Obsolescence due to changes in the character of neighborhoods comes into the pic-

ture with much more emphasis than formerly.

LEWIS DOUGLAS

The trend toward concentrated investment holdings resulting from purchases of entire bond issues by large insurance companies at private sale or through competitive bids is "ultimately of doubtful economic and social good—if indeed it is of any good at all," President Lewis W. Douglas of Mutual Life declared in his talk at the Mortgage Bankers convention.

Referring to the successful bid earlier this week for a \$90,000,000 issue of A. T. & T. bonds by three life companies, one of which was Mutual Life, Mr. Douglas said that the companies were entirely justified in submitting a bid to test the new competitive bidding procedure and to point up both its merits and its defects and that in fact that there was a duty to cooperate. He said it does not necessarily follow that Mutual Life will pursue this course as a regular policy.

Among the drawbacks of the private sale or competitive bid trend Mr. Douglas listed also the incurring of liabilities as underwriter, which policyholders should not be expected to shoulder, difficulty of liquidating large blocks of securities should the need arise, damage to the country's investment banking machinery, which is highly essential to the proper function of private enterprise, absence of any control by the buyer in the preparation of the indenture which protects the lender on such matters as sinking funds and protective clauses, and unfair discrimination against smaller institutional and individual investors, tending to give the big investing institutions a monopoly in the purchase of high-grade securities.

In spite of these misgivings, however, Mr. Douglas made it clear that he would not be in favor of prohibiting, either by law or regulation, the right of investing institutions to make direct bids for new issues under open competition. They should have that right as a protection to themselves against inordinate "banking spreads," he said, expressing the hope that the problem of direct bids would be solved by an open-minded and broad approach to the whole.

Speicher Talks to Research Bureau, Agency Officers

Paul Speicher, R. & R. Service, Indianapolis, has been listed as a speaker at the joint annual meeting of the Life Agency Officers and the Sales Research Bureau at Toronto, Nov. 3-5. Mr. Speicher will speak the last day on "The Present Tense of Management."

Acacia Mutual Makes Two Appointments in South

Edward Chappell of the Louisville Agency has been appointed manager at Jacksonville, Fla., by Acacia Mutual Life. He has been with his father, James Chappell, manager at Louisville, since 1934 and prior to this had been with John Hancock Mutual and Inter-Southern. He attended the University of Louisville and gained his first business experience in real estate.

William Thurman, of the Atlanta agency, has been promoted to unit manager there. He joined the agency in 1938 with his father, Samuel Thurman, then manager of the Atlanta branch. Mr. Thurman was born in Birmingham, Ala., and attended the University of Georgia.

NEXT STOP ST. LOUIS!

AND MY STOP IS HOTEL Mayfair!
TOPS IN FOOD & SERVICE—AND RIGHT DOWNTOWN

ALL ROOMS GYM—BATH—CLOSET—REF.

3, 1941 Views at National Fraternal Congress in San Francisco



Conference at registration desk—Helen Bauer, assistant to Foster F. Farrell, manager-secretary-treasurer (middle) talking with Thomas H. Cannon, high chief ranger of C. O. F., Chicago, for many years secretary of N. F. C.

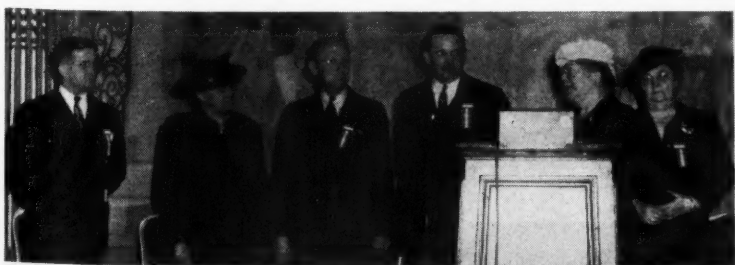


Press Section breakfast: Behind speakers table—(L. to R.)—James L. Wilmeth, secretary Junior Order United American Mechanics, Philadelphia; A. O. Benz, N. F. C. retiring president; Mrs. Kate K. Miller, W. O. W. of Denver, section president; Henry R. Freitag, Modern Woodmen, president-elect; T. R. Heaney, C. O. F., Congress president-elect; Mrs. Heaney; Maurice S. Hoskin, Los Angeles, secretary California Congress; Peter F. Gilroy, head of W. O. W., Denver, and Mrs. Mary E. Murphy, head of the Women's Catholic Order of Foresters of Chicago.



TOP—New officers of Medical Section—Dr. J. G. McGrath, C. O. F., Chicago, secretary; Dr. Thomas E. Johnston, Security Benefit, second vice-president; Dr. John R. Peterson, Lutheran Brotherhood, vice-president; Dr. E. A. Anderson, Modern Woodmen, president.

BELOW—Fraternal Actuarial Association officers elected: I. W. Smith, A. O. U. W. of North Dakota, vice-president; J. D. Reeder, Aid Association for Lutherans, president; E. H. Pakes, Woodmen Circle, secretary; J. A. Blaha, Woodmen Circle, treasurer.



New Presidents Section officers—Francis Taptich, United Societies of Greek Catholic Religion, Pittsburgh, president; Grace W. McCurdy, head of Royal Neighbors, Rock Island, Ill., first vice-president; Norton J. Williams, president Equitable Reserve, Neenah, Wis., second vice-president; Walter C. Below, president Fidelity Life, Fulton, Ill., past president; Mrs. Dora Alexander Talley, head of Woodmen Circle, Omaha, installing officer, and Mrs. Minnie Hiner, grand guardian Neighbors of Woodcraft, Portland, Ore., secretary-treasurer.



Herman L. Ekern, Chicago, president Lutheran Brotherhood; Francis Taptich, president United Societies of Greek Catholic Religion, Pittsburgh, and young ladies in charge of registration desk—Mrs. Alice Page, San Francisco Convention bureau, and Helen Bauer, assistant to Manager-Secretary Farrell of N. F. C.



TOP—Law Section's officers—E. S. Cummings, Jr., general counsel C. O. F., Chicago, vice-president; George G. Perrin, general counsel Modern Woodmen, president (reelected); Richard F. Allen, general counsel Standard Life, secretary-treasurer (reelected).

BELOW—Group of Modern Woodmen field people—Mrs. F. E. Olson, Visalia, Cal.; C. W. Byrer, Los Angeles, national advisor; W. F. Gilroy, Los Angeles, California manager; G. E. Lampman, Sacramento, district manager; F. E. Olson, Visalia, district manager.



TOP—New officers of Secretaries Section—(L. to R.)—Oscar A. Kottler, recorder Artisans Order of Mutual Protection, Philadelphia, vice-president; Anna E. Phelan, secretary W. C. O. F., Chicago, reelected secretary; Farrar Newberry, secretary W. O. W., Omaha, past president; John Sabol, secretary First Catholic Slovak Union, Cleveland, and J. H. Abrahams, secretary Security Benefit, Topeka, executive committeeman.

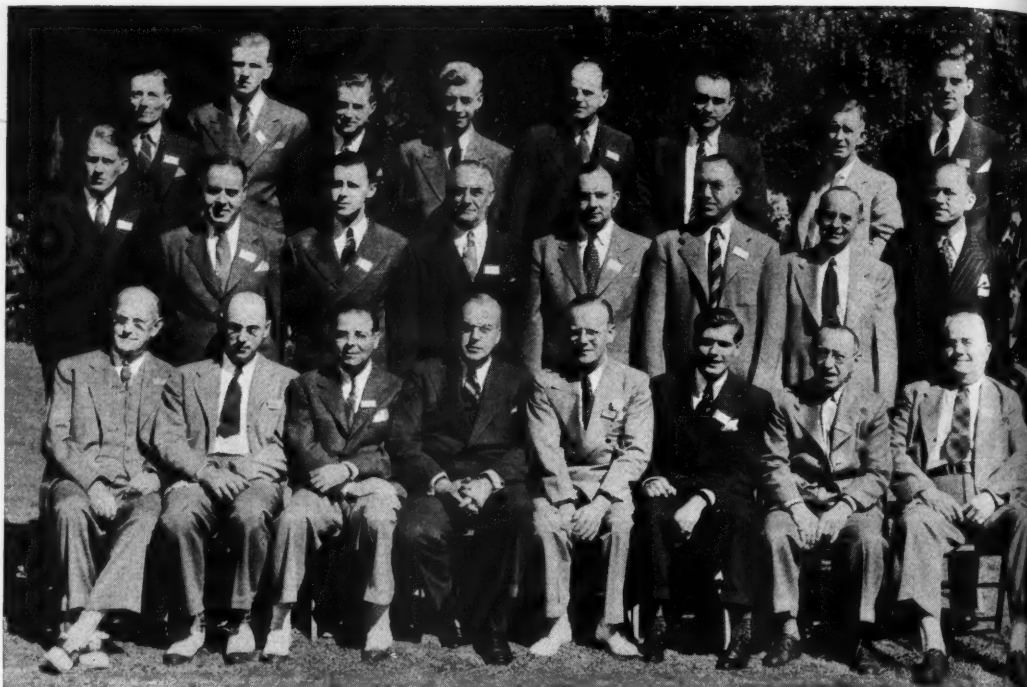
BELOW—Group of W. O. W. of Denver men—H. R. Kingdon, Salt Lake City, director; Peter F. Gilroy, Denver, president; Albert H. Laub, Denver, secretary.



RIGHT—Agency leaders at New England Mutual's regional conference at French Lick Springs, Ind. **TOP ROW:** G. R. Weston, St. Paul; Edward Percival, Chicago-Thurman; L. M. Buckley, Chicago-Thurman; H. J. Kirkpatrick, Cleveland; J. I. Rowell, Cleveland; B. W. Bourne, Louisville; E. E. Kimbel, Louisville; H. D. Wheeler, St. Paul.

MIDDLE ROW: S. H. Barnard, Chicago-Swanson; R. L. Solomon, Indianapolis; D. J. Kerr, Detroit; G. F. Mayer, Milwaukee; J. C. Saltzstein, Milwaukee; C. C. Wharff, Columbus; C. A. Corwin, Columbus; F. D. Bacon, Chicago-Fowler.

BOTTOM ROW: C. P. Collins, agency secretary; H. N. Bonar, Parkersburg; O. S. Rome, Chicago-Meyer; G. L. Hunt, vice-president; L. M. Schaller, Minneapolis; Jack Varley, Toledo; J. M. Bransky, Chicago-Meyer; H. B. Jordan, Cincinnati.



The 25th anniversaries of Robert J. Maclellan (left) as president and W. C. Cartin-hour (right) as secretary were observed by Provident Life & Accident at a luncheon in Chattanooga. Judge Alexander W. Chambliss (center) was toastmaster. Mr. Cartin-hour is also a vice-president.



At Connecticut General's conference at Green Lake, Wis.—Left to right: Ray Underwood, Los Angeles; R. K. Whyte, Indianapolis; P. T. Aubin, Chicago; F. L. Eulless, Dallas; K. E. Warden, Kansas City; G. S. Burtis, Chicago; D. E. Hughes, Jr., Houston; T. F. Gaffney, Detroit; H. K. Nickell, Chicago.



Earl Schwemm, Chicago manager of Great-West Life, E. A. Crane, Indianapolis general agent of Northwestern Mutual; Glenn McTaggart, Prudential ordinary manager, Denver, and F. W. Fair, Boston manager of Prudential, at National Association of Life Underwriters' annual gathering in Cincinnati.

Manager Paul Johnson and a group of Cincinnati agents at Fidelity Mutual's Bigwin convention.